



**NOTICE OF
CITY COUNCIL REGULAR MEETING
CELINA COUNCIL CHAMBERS 112 N. COLORADO ST., CELINA, TX 75009
Tuesday, August 14, 2018 AT 5:00 PM**

AGENDA

I. CALL TO ORDER AND ANNOUNCE A QUORUM PRESENT:

II. WORKSESSION/COMMITTEE REPORTS/STAFF REPORTS:

- A. Introduction of new employees (Brawner, Cromwell)
- B. Discussion regarding architectural design of Fire Stations #2 and #3 by BRW Architects. (Brawner)
- C. Discussion regarding Garver LLC services for water improvements. (Brawner)
- D. Discussion regarding proposed Dallas North Tollway Overlay District. (Jackson)
- E. Discussion regarding Downtown Mural Project. (Jackson)
- F. Discussion regarding any and/or all agenda items.

III. EXECUTIVE SESSION:

The Celina City Council will convene into Executive Session pursuant to Texas Government Code 551.071, Consultation with Attorney, on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Chapter, and 551.074, Personnel Matters, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

- A. City Manager
- B. Discussion regarding city's regulations and obligations with the Gigabit City project.
- C. City of Celina v. SureTec Insurance Company; Cause No. 429-05676-2017

Reconvene Into Open Session:

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

IV. PLEDGE OF ALLEGIANCE/INVOCATION:

V. PROCLAMATIONS/PRESENTATIONS/OATHS OF OFFICE:

- A. Proclamation - Special Olympian Jarred Duran

VI. OPEN FORUM:

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

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

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

A. Minutes Approval:

1. City Council - Regular Meeting - Jul 10, 2018 5:00 PM

- B. Consider and act to authorize the City Manager to negotiate and execute an agreement by and between the City of Celina and Owens Tollway 10, LLC for an easement for Light Farms Way. (Columns/Light Farms Way Easement) (DeBuff)
- C. Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and AUI Partners, LLC for Construction Manager at Risk services for the expansion/construction of Old Celina Park. (DeBuff/Brawner)
- D. Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and Hill & Wilkinson General Contractors for Construction Manager at Risk services for the renovation of the City buildings located at 142 N. Ohio, 302 W. Walnut and 112 N. Colorado. (DeBuff/Brawner)
- E. Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and Hangartner, LLC for Construction Manager at Risk services for the construction of Fire Stations #2, #3 and #4. (DeBuff/Brawner)
- F. Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and BRW Architects, Inc. for architectural design services for Fire Stations #2 and #3. (DeBuff/Brawner)
- G. Consider and act to authorize and execute a contract amendment between the City of Celina and Upper Trinity Regional Water District for regional wastewater treatment capacity at the Doe Branch Reclamation Facility. (Fourmentin)
- H. Consider and act to authorize the City Manager to execute a contract between the City of Celina and Texana Land & Asphalt in the amount of \$527,856.01 (includes 10% contingency) for the 2018 Street Improvements project. (Brawner)
- I. Consider and act to authorize the City Manager to execute Work Order #12 between the City of Celina and Garver, LLC in the amount of \$1,793,044.00 for professional services in relation to the Water Transmission Improvements. (Brawner)

- J. **2018 - 37** - Consider and act upon an ordinance of The City Council of the City Of Celina, Texas, Amending The City's Code Of Ordinances, Chapter1 General provisions; Article 1.09 Discrimination; Division 2 Fair Housing (Brawner)
- K. Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and Dunkin, Sims, and Stoffels, Inc. for \$928,014.00 for the design of Old Celina Park.
- L. Consider and act to authorize the City Manager to negotiate and execute an agreement by and between the City of Celina and Insituform Services in the amount of \$64,990 for cleaning and Closed Circuit Television. (Fourmentin)
- M. Consider and act to authorize the City Manager to negotiate and execute a second tower/ground lease amendment by and between the City of Celina and New Cingular Wireless PCS, LLC. (AT&T) located at the Morgan Lakes elevated storage tower. (Fourmentin)
- N. Consider and act upon approval of appointments, re-appointments and removals from city boards and commissions, Economic Development Corporation and Community Development Corporation (See attached). (Terry)
- O. **2018 - 38** - Consider and act upon an ordinance approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 Project); and approving and authorizing related agreements. (DeBuff)
- P. **2018 - 39** - Consider and act upon an ordinance approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1b Project); and approving and authorizing related agreements. (DeBuff)
- Q. Consider and act to authorize the City Manager to execute an agreement by and between the City of Celina and Legend Contracting, Inc. regarding impact fee assessments. (Westgate Impact Fees) (Laumer)
- R. **2018-31R** - Consider and act upon a resolution of the City of Celina, Texas approving and authorizing the Mayor to execute the "PID Reimbursement Agreement Cambridge Crossing" between the City of Celina, Texas and Tollway/Outer Loop, L.P., a Texas Limited Partnership. (DeBuff)
- S. **2018 - 40** - Consider and act upon an ordinance approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 Project); and approving and authorizing related agreements. (DeBuff)
- T. **2018 - 44** - Consider and act upon an ordinance of the City Council of the City of Celina, Texas accepting and approving a Service and Assessment Plan and Phase #1 assessment roll for Cambridge Crossing Public Improvement District; making a finding of special benefit to the property in the Phase #1 of the District; levying assessments against property within the District and establishing a lien on such property; providing for the method of assessment and the payment of the Phase #1 Major Improvement Assessments in accordance with Chapter 372, Texas Local Government Code, as amended. (DeBuff)

- U. **2018 - 41** - Consider and act upon an ordinance of the City Council of the City of Celina, Texas accepting and approving a Service and Assessment Plan and Phases #2-7 assessment roll for Cambridge Crossing Public Improvement District; making a finding of special benefit to the property in the Phases #2-7 of the District; levying assessments against property within the District and establishing a lien on such property; providing for the method of assessment and the payment of the Phases #2-7 Major Improvement Assessments in accordance with Chapter 372, Texas Local Government Code, as amended. (DeBuff)
- V. **2018-32R** - Consider and act upon a resolution of the City of Celina, Texas determining the costs of certain public improvements to be financed by the Sutton Fields Public Improvement District; approving a preliminary service plan and assessment plan, including proposed assessment rolls; directing the filing of the proposed assessment rolls with the City Secretary to make available for public inspection; noticing a public hearing for August 28, 2018 to consider an ordinance levying assessments on property located within the Cambridge Crossing Public Improvement District; directing city staff to publish and mail notice of said public hearing. (Sutton Fields PID CDR & SAP approval) (DeBuff)
- W. Consider and act to authorize the City Manager to execute an interlocal agreement by and between the City of Celina and the Celina Economic Development Corporation for the creation of and funding for various positions. (Laumer)
- X. **2018 - 45** - Consider and act upon an ordinance approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #2-7 Project); and approving and authorizing related agreements. (DeBuff)

VIII. PUBLIC HEARING/ACTION:

- A. The Celina City Council will conduct a public hearing to consider proposed assessments to be levied against the assessable property within the Cambridge Crossing Public Improvement District pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended. The boundaries of the District include approximately 484.074 acres of land generally located directly north of County Road 7, directly east of County Road 6, south of FM 428, and west of Dallas Parkway. (Cambridge Crossing Public Hearing) (DeBuff)
- B. The City Council will conduct the first of two public hearings on the proposed voluntary annexation of an approximately 8.0 acre tract of land situated in the T. McIntyre Survey, Abstract No. 903, Denton County, Texas, and located on the east side of FM 1385 approximately 1,750 feet north of Crutchfield Road. (Celina West Marketplace Annexation)(Jackson)

IX. ACTION ITEM:

- A. **2018 - 42** - Consider and act upon an ordinance authorizing the issuance of “City of Celina, Texas, General Obligation Refunding Bonds, Series 2018”; specifying the terms and features of said bonds; levying a continuing direct annual Ad Valorem tax for the payment of said bonds; providing for the redemption of certain outstanding obligations of the City; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement and the approval and distribution of a Preliminary Official Statement and an Official Statement; and providing an effective date. (Toutounchian)

- B. **2018 - 43** - Consider and act upon an ordinance authorizing the issuance of “City of Celina, Texas, Tax and Waterworks and Sewer System (limited pledge) Revenue Certificates of Obligation, Series 2018”; specifying the terms and features of said certificates; providing for the payment of said certificates of obligation by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of the net revenues derived from the operation of the City’s combined waterworks and sewer system; providing the terms and conditions of such certificates of obligation and resolving other matters incident and relating to the issuance, payment, security, sale and delivery of said certificates of obligation, including the approval and execution of a Paying Agent/Registrar Agreement and the approval and distribution of a Preliminary Official Statement and an Official Statement pertaining thereto. (Toutouchian)
- C. Consider and act to authorize the City Manager to execute Work Order #11 between the City of Celina and Garver, LLC in the amount of \$466,188.00 for professional services in relation to the second phase of the Celina Road and Downtown Pump Stations improvements. (Brawner)
- D. Consider and act upon a request for variance from the City's Code of Ordinances regarding the distribution of alcohol and consumption of same on the downtown square during the Greater Celina Chamber of Commerce Oktoberfest Event on Saturday, October 13, 2018 from 11:00am-10:00pm. (Chamber of Commerce)

X. ADJOURNMENT:

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

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



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

Date Notice Removed



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Alexis Jackson, Director of Development Services
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: Zoning Ordinance - Dallas North Tollway Overlay District

Action Requested:

Discussion regarding proposed Dallas North Tollway Overlay District. (Jackson)

Staff Recommendation:

N/A



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Alexis Jackson, Director of Development Services
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: Downtown Mural Project

Action Requested:

Discussion regarding Downtown Mural Project. (Jackson)

Staff Recommendation:



**NOTICE OF
CITY COUNCIL REGULAR MEETING
CELINA COUNCIL CHAMBERS 112 N. COLORADO ST., CELINA, TX 75009
Tuesday, July 10, 2018 AT 5:00 PM**

MINUTES

I. CALL TO ORDER AND ANNOUNCE A QUORUM PRESENT:

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

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

II. WORKSESSION/COMMITTEE REPORTS/STAFF REPORTS:

A. Tax rate/budget adoption schedule review (Toutounchian)

Director of Finance Jay Toutounchian discussed the special meetings and hearings needed in August to complete the tax rate and budget adoption this year.

B. Discussion of Proposed Downtown Plaza (Brawner)

Julie with Garthoff Design presented proposed plans for a Downtown Plaza in the alley behind Carmella Winery.

C. Old Celina Park Update (Brawner)

Dennis Sims with Duncan, Sims and Stoffels presented drawings for the proposed layout of additional soccer and baseball fields for the Old Celina Park.

D. Rehabilitation of Downtown Elevated Storage Tank (Brawner)

Director of Public Works Alan Fourmentin presented ideas for painting and lighting the old original water tower on Elm Street.

E. Discussion regarding any and/or all agenda items

No other items were discussed.

III. EXECUTIVE SESSION:

Minutes Acceptance: Minutes of Jul 10, 2018 5:00 PM (Minutes Approval)

The Celina City Council adjourned into Executive Session at 5:30 p.m. with City Manager Jason Laumer, City Attorney Trey Sargent and City Attorney Julie Fort (Items A, B and D).

Mayor Terry and Councilwoman Koehne recused themselves from the discussion at 6:08 p.m. on item C due to a conflict of interest.

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

- A. Discussion regarding a resolution of the City Council of the City of Celina, Texas, hereby authorizing the Mayor to execute a CCN purchase agreement by and between the City of Celina and Marilee Special Utility District (“MSUD”).
- B. Discussion regarding a resolution of the City Council of the City of Celina, Texas, hereby authorizing the Mayor to execute an interlocal agreement by and between the City of Celina and Mustang Special Utility District (“MSUD”) governing water and sewer service area and the expansion of the Sandbrock Wastewater Treatment Plant.
- C. Discussion regarding a facilities agreement with CTMG Frontier 80 LLC, CADG Frontier 192 LLC, and First Texas Homes Inc. (Creeks of Legacy).
- D. Discussion regarding city’s regulations and obligations regarding the Gigabit City project.

Reconvene Into Open Session:

The Celina City Council reconvened into Open Session at 6:15 p.m.

- E. Consider and act upon item A.

(2018-23R) Councilman Hopkins moved to approve item A noting that metes and bounds will be added to the exhibits.

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

- F. Consider and act upon item B.

(2018-24R)

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

- G. Consider and act upon item C.

No action was taken on item C.

Minutes Acceptance: Minutes of Jul 10, 2018 5:00 PM (Minutes Approval)

H. Consider and act upon item D.

No action was taken on item D.

IV. PLEDGE OF ALLEGIANCE/INVOCATION:

Ten year old Catie Buffer from Columbus, Ohio, led the United States pledge of allegiance. Mayor Terry led the Texas pledge of allegiance. Councilman Nabors gave the invocation.

V. PROCLAMATIONS/PRESENTATIONS/OATHS OF OFFICE:

VI. OPEN FORUM:

Suzanne D'Amico asked for a meeting with the city council regarding impact, capital and building fees due to the increase in building costs.

VII. CONSENT AGENDA:

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

A. Minutes Approval:

1. City Council - Regular Meeting - Jun 12, 2018 5:00 PM

B. Consider and act upon a Chapter 43 and Chapter 212 Pre-Annexation Agreement by and between the City of Celina, Texas and Timothy Martgan regarding an approximately 29.9897 acre tract of land situated in the Robert Cowan Survey, Tract 23. (Martgan Pre-Annexation Agreement) (Jackson)

C. Consider and act upon an ordinance of the City Council of Celina, Texas, disannexing land; an approximately 29.9897 acre tract situated in the Robert Cowan Survey, Tract 23. (Martgan Deannexation) (Jackson)

(2018-29)

D. Consider and act upon an ordinance of the City Council of the City of Celina, Texas, amending the City's code of ordinances, Appendix A: Fee Schedule, to adopt revised fees for building permits and engineering permits; providing for incorporation of premises. (Fee Update) (Hernandez)

(2018-30)

E. Consider and act upon a resolution of the City of Celina, Texas determining the costs of certain public improvements to be financed by the Cambridge Crossing Public Improvement District; approving a preliminary service plan and assessment plan, including proposed assessment rolls; directing the filing of the proposed assessment rolls with the City Secretary to make available for public inspection; noticing a public hearing for August 14, 2018 to consider an ordinance levying assessments on property located within the Cambridge Crossing Public Improvement District; directing city staff to publish and mail notice of said public hearing. (Cambridge Crossing PID CDR & SAP approval) (DeBuff)

Minutes Acceptance: Minutes of Jul 10, 2018 5:00 PM (Minutes Approval)

(2018-25R)

- F. Consider and act upon a resolution authorizing and directing appropriate City officials, consultants, and advisors to proceed with the preparation of financing documents relating to the Cambridge Crossing Public Improvement District and resolving matters incident and related thereto. (DeBuff)

(2018-26R)

- G. Consider and act to authorize the City Manager to apply for Grant funds, enter into a contract and commit local matching funds for the Texas Water Development Board (TWDB) 2018 Flood Protection Grant. (Brawner)

(2018-27R)

- H. Consider and act upon a construction plat for Sutton Fields Phase 2A, being an approximately 22.782 acre tract of land situated in the Freeman Wilkerson Survey, Abstract No. 1411, the Carrol Jackson Survey, Abstract No. 1546, Thomas B. Cox Survey, Abstract No. 309, and the Jacob Rue Survey, Abstract No. 1109 in Denton County, containing 103 residential lots and two (2) common area lots, and generally located north of Parvin Road and east of FM 1385. (Sutton Fields Phase 2A Construction Plat) (Jackson)
- I. Consider and act upon a construction plat for Sutton Fields Phase 2B, being an approximately 50.579 acre tract of land situated in the Freeman Wilkerson Survey, Abstract No. 1411, the Carrol Jackson Survey, Abstract No. 1546, and the Jacob Rue Survey, Abstract No. 1109, Denton County, Texas; containing 265 residential lots and four (4) common area lots, and generally located north of Parvin Road and east of FM 1385 (Sutton Fields Phase 2B Construction Plat) (Jackson)
- J. Consider and act upon a Construction Plat for Frontier Retail Partners; being an approximately 10.36 acre tract of land situated in the Johnathan Westover Survey, Abstract No. 1030, Collin County, Texas, and generally located at the northeast corner of County Road 83 (Coit Road) and FM 1461 (Frontier Parkway). (Lilyana/Frontier Retail Construction Plat) (Jackson)
- K. Consider and act to authorize and execute a contract amendment between the City of Celina and Upper Trinity Regional Water District for regional wastewater treatment capacity at the Doe Branch Reclamation Facility. (Fourmentin)
- L. Consider and act upon a Long Term Capital Plan and Long Term Financial Plan. (Toutouchian)

VIII. PUBLIC HEARING/ACTION:

- A. The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance of the City Council of the City of Celina, Texas accepting and approving a Wells South Public Improvement Service and Assessment Plan Update, including the Assessment Rolls, as the annual service plan update for the Wells South Public Improvement District; making a finding of Special Benefit to the assessed property in the District, levying special assessments against a portion of the property within Neighborhood Improvement Area #2 of the District as shown on the Neighborhood Improvement Area #2 Assessment Roll; and, establishing a lien on such property. (Wells South) (DeBuff)

Minutes Acceptance: Minutes of Jul 10, 2018 5:00 PM (Minutes Approval)

(2018-31) Mayor Terry opened the hearing at 6:36 p.m. Corey Admire with Shupe, Ventura Law firm, 9406 Biscayne, Dallas, Texas, spoke in favor of the plan. Dale Bainum of 3541 Heritage Trail, Celina, Texas, asked if this assessment was only for those inside the development. The hearing was closed at 6:37 p.m.

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

- B. The Celina City Council will conduct a public hearing to consider proposed assessments to be levied against the assessable property within the Glen Crossing Public Improvement District pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended. The boundaries of the District include approximately 109.090 acres of land generally located in the area encompassed directly south of CR 55, north of CR 53, directly adjacent to the west of CR 1117, and east of Private Road 5281 and CR 52. (Glen Crossing Public Hearing) (DeBuff)

Mayor Terry opened the hearing at 6:37 p.m. No public comments were received. Councilman Hopkins moved to continue the hearing to the September 11th meeting.

RESULT: TABLED [UNANIMOUS] **Next: 9/11/2018 5:00 PM**
MOVER: Andy Hopkins, Place 3
SECONDER: Wayne Nabors, Place 2
AYES: Nabors, Hopkins, Roberts, Koehne, Anderson
ABSENT: Webber

- C. The Celina City Council will conduct a public hearing to consider and act upon a commercial replat for Mobility Credit Union being a replat of lots 1A,1B, & 1C of the Central Business Park Addition, an approximately 0.517 acre of land situated in the John Willock Survey, Abstract No. 975, Collin County, Texas, and generally located on the south side of Walnut Street and west of Louisiana Street. The plat is comprised of one commercial lot. (Mobility Credit Union Replat) (Jackson)

Mayor Terry opened the hearing at 6:40 p.m. No public comments were received. The hearing was closed at 6:40 p.m.

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

- D. The Celina City Council will conduct a Public Hearing to consider testimony and act upon an ordinance amending the City's Code of Ordinances, Chapter 10: Subdivision Regulations, Article 10.03, Subdivision Ordinance. (Subdivision Ordinance Amendments) (Jackson)

(2018-32) Mayor Terry opened the hearing at 6:41 p.m. No public comments were received. The hearing was closed at 6:43 p.m.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Mindy Koehne, Place 5
SECONDER:	Chad Anderson, Place 6
AYES:	Nabors, Hopkins, Roberts, Koehne, Anderson
ABSENT:	Webber

- E. The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance amending the City's Code of Ordinances, Chapter 3: Building Regulations, Article 3.09, Driveways and Parking Lots, to modify the requirements for parking lots for non-profit organizations and to bring certain driveway and parking lot construction standards into compliance with the adopted Engineering Design Standards. (Parking Lot Standards) (Brawner)

(2018-33) Mayor Terry opened the hearing at 6:43 p.m. No public comments were received. The hearing was closed 6:45 p.m.

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

- F. The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance amending the City's Comprehensive Plan, Ordinance 2013-06; to amend the City's Master Thoroughfare documents and exhibits. (Thoroughfare Plan Amendments) (Brawner)

(2018-34) Mayor Terry opened the public hearing at 6:45 p.m. No public comments were received. The hearing was closed at 6:56 p.m.

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

- G. The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance amending PD-46, Planned Development Zoning District No. 46; being an approximately 368 acre tract of land situated in the Wm. Davenport Survey, Abstract No. 262 and the F.D. Gray Survey, Abstract Number 361, Collin County, Texas and the J. McKinn Survey, Abstract No. 889, the Wm. Phillips Survey, Abstract No. 1029 and the A. Thomasson Survey, Abstract No. 1265, Denton County, Texas; the property is generally located on the west and east sides of N. Legacy Drive and north of Frontier Parkway (CR 5). (Creeks of Legacy PD Amendment) (Jackson)

(2018-35) This item was taken as the first public hearing at 6:21 p.m. Mayor Terry and Councilwoman Koehne recused themselves from this item due to a conflict of interest. Mayor Pro Tem Anderson opened the hearing. Eric Hinklin of Frisco, Texas, representing the applicant spoke in favor of this item. The hearing was closed at 6:34 p.m.

RESULT: APPROVED [4 TO 0]
MOVER: Wayne Nabors, Place 2
SECONDER: Andy Hopkins, Place 3
AYES: Nabors, Hopkins, Roberts, Anderson
ABSENT: Webber
RECUSED: Koehne

IX. ACTION ITEM:

- A. Consider and act upon a resolution authorizing the Mayor Pro-Tem to execute a letter agreement mutually terminating a facilities agreement between the City of Celina, Texas and CTMG Frontier 80 LLC, CADG Frontier 192 LLC, and First Texas Homes Inc. (Creeks of Legacy) (Jackson)

(2018-28R) Mayor Terry and Councilwoman Koehne recused themselves from this item due to a conflict of interest. They returned at 6:34 p.m.

RESULT: APPROVED [4 TO 0]
MOVER: Wayne Nabors, Place 2
SECONDER: Andy Hopkins, Place 3
AYES: Nabors, Hopkins, Roberts, Anderson
ABSENT: Webber
RECUSED: Koehne

- B. Consider and act upon an ordinance of the City Council of the City of Celina, Texas, accepting and approving a revised Engineering Design Standards, Specifications and Standard Details and allowing the City Manager or his designee to make modifications/revisions as necessary. (Brawner)

(2018-36)

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

- C. Consider and act to adopt the Strategic Plan through Fiscal Year 2020 for the City of Celina. (Jackson)

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

X. ADJOURNMENT:

There being no further comment Mayor Terry adjourned the meeting at 7:00 p.m.

Minutes Acceptance: Minutes of Jul 10, 2018 5:00 PM (Minutes Approval)

Sean Terry, Mayor

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

Date Minutes Approved

Minutes Acceptance: Minutes of Jul 10, 2018 5:00 PM (Minutes Approval)



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: The Columns Light Farms Way Easement Agreement

Action Requested:

Consider and act to authorize the City Manager to negotiate and execute an agreement by and between the City of Celina and Owens Tollway 10, LLC for an easement for Light Farms Way. (Columns/Light Farms Way Easement) (DeBuff)

Background Information:

This agreement provides for mutual access easements on Light Farms Way, which will also serve as the driveway/entrance for a future Fire Station for the City.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This resolution has been reviewed by the City Attorney.

Supporting Documents:

- Proposed agreement

Staff Recommendation:

Staff recommends approval.

EASEMENT AGREEMENT

This Easement Agreement (this “**Agreement**”), is made as of ___, 2018, between the CITY OF CELINA, TEXAS (the “**City**”), and Owens Tollway 10, LLC, a Texas limited liability company (“**Owens**”).

WHEREAS, the City owns that certain parcel of land (the “**City’s Property**”) more particularly described on Exhibit “A” attached hereto and incorporated herein by this reference for all purposes;

WHEREAS, Owens owns property (“**Owens’s Property**”) adjacent to the City’s Property more particularly described on Exhibit “B” attached hereto and incorporated herein by this reference for all purposes; and

WHEREAS, the City and Owens have agreed to enter into and provide certain mutual access easements and related agreements as more particularly described below.

NOW, THEREFORE, for good and valuable consideration, and in consideration of the mutual covenants and benefits contained in this Agreement, the receipt and sufficiency of ~~which~~ consideration is acknowledged, the parties agree that the foregoing recitals are true and correct, and the parties, covenant and agree as follows

1. **City Easement.** The City agrees to execute and deliver in recordable form to Owens that certain Temporary Construction ~~And~~ Access Easement (the “**City Easement**”) over and across a portion of the City’s Property, as more particularly described on and in the form set forth on Exhibit “C” attached hereto and incorporated herein by this reference for all purposes. **HOW LONG DOES CITY HAVE TO DELIVER AN EXECUTED EXHIBIT C?**
2. **Additional Easement.** In the event Owens (or Owens’s successors or assigns) fails to obtain the Additional Easement (hereinafter defined) and following City’s receipt of funds from Owens to fund the cost of acquisition, the City hereby agrees to obtain, whether through a negotiated purchase of an easement or through the use of its ~~E~~minent ~~D~~omain powers or otherwise, an additional access easement with an adjacent 15-foot temporary construction easement (the “**Additional Easement**”) over and across a portion of the land adjacent to the City’s Property and/or Owens’s Property for the benefit of Owens and the public, as more particularly ~~depicted~~described on Exhibit “D” **NEED COPY OF EXHIBIT D CONCEPT PLAN WITH Additional Easement ADDED AND NEED TO CONFIRM LOCATION WILL BE PUBLIC BENEFIT AND NOT PRIVATE ECONOMIC DEVELOPMENT BENEFIT ONLY/SAID DEPICTED INSTEAD OF DESCRIBED BECAUSE ASSUMING SHOWING GENERAL LOCATION ON MAP AND DON’T HAVE METES AND BOUNDS YET?**, attached hereto and incorporated by this reference for all purposes, from the owner of said adjacent land. Before the City expends any funds to obtain the Additional Easement, Owens shall be notified of the estimated costs to obtain the Additional Easement. Provided Owens has approved the costs to obtain the Additional Easement, Owens agrees to pay for any and all costs incurred by the City for acquiring the Additional Easement.
3. **Construction of Improvements.** Owens shall be solely responsible for any and all costs arising as a result of designing and constructing any and all necessary roadway and related improvements (the “**Improvements**”) within the City Easement and/or the Additional Easement in accordance with any and all governmental authorities to allow vehicular access to Owens’s Property through the City Easement and/or the Additional Easement. If Owens has not completed construction of the Improvements within two (2) years after the acquisition of the Additional Easement prior to the first to occur of (i) City developing of a fire station, or other facility, on City’s Property, or (ii)

~~expiration of the City Easement in accordance with the terms of Exhibit "C", the City may elect to construct the Improvements, in which case the City shall first give Owens ninety (90) days written notice of its election to construct the Improvements. Prior to the expiration of said ninety (90) day period, Owens may elect to construct the Improvements by giving written notice of its election to construct the Improvements to the City. If Owens fails to give written notice of its election to construct the Improvements prior to the expiration of said ninety (90) day period and the City elects to construct the Improvements, Owens (or the developer of Owens's Property) is responsible for reimbursing the City all of its costs and expenses, up to One Hundred Fifty Thousand Dollars (\$150,000.00), prior to within ninety (90) days after permits are being provided approved by the City for the development of Owens's Property. In addition to the City Easement, the City shall grant Owens an additional Temporary Construction and Access Easement over and across the Additional Easement to allow Owens to construct the Improvements. If Owens gives written notice that it is electing to construct the Improvements, Owens shall immediately begin design and construction and diligently pursue same until construction of the Improvements is completed and accepted by City. No certificates of occupancy shall be issued by the City for the Owens's Property until the Improvements are completed by Owens or, if the Improvements are constructed by the City, until Owens has paid reimbursed City for City's costs and expenses for the Improvements.~~

4. **Dedication of Right-of-Way.** Upon completion of the Improvements and acceptance of the Improvements by the City, the City Easement and the Additional Easement shall become dedicated public right-of-way and the City and Owens hereby agree to execute any and all necessary documents required to so publically dedicate the right-of-way.

5. **Miscellaneous.**

- (a) Each party represents to the other that, upon execution of this Agreement by each party: (1) such party has all requisite power and authority to execute and deliver this Agreement, and to carry out its obligations hereunder and the transactions contemplated hereby; (2) such party has obtained all necessary consents and approvals from any person, entity, or governmental authority required for the execution and delivery of this Agreement by such party and the performance by such party of its obligations under this Agreement; and (3) the execution and delivery of, and such party's performance under, this Agreement are within such party's powers and have been duly authorized by all requisite actions and this Agreement constitutes a binding obligation of such party enforceable in accordance with its terms.

- (b) In the event that the City or Owens shall institute legal proceedings to enforce or construe any of the terms, provisions, covenants, conditions or restrictions set forth in this Agreement, the prevailing party in such legal proceedings shall be entitled to recover its reasonable attorneys' fees, litigation expenses and court costs from the non-prevailing party.

- (c) The laws of the State of Texas shall govern the validity, performance and enforcement of this Agreement. The parties agree that venue is in Collin County, Texas.

- (d) The section headings and captions of this Agreement are for the convenience and reference of the parties and in no way define, limit, or describe the scope or intent of this Agreement or any part thereof.

- (e) If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision, there shall be added automatically as

a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and which shall be legal, valid and enforceable.

(f) No waiver by any party of any provision hereof shall be deemed to have been made unless expressed in writing and signed by such party. No delay or omission in the exercise of any right or remedy accruing to any party upon any breach of this Agreement by a party hereto shall impair such right or remedy or be construed as a waiver of such breach, and the waiver of any breach shall not be deemed a waiver of any other breach of the same or any other provision of this Agreement.

(g) This Agreement binds and inures to the benefit of the parties and their respective heirs, successors, and assigns.

(i) Any notice to be given herein shall be deemed given (a) as of the date actually delivered to the applicable party at the address set forth below, or (b) three (3) days after the date of deposit thereof in the U.S. Mail, by certified mail, return receipt requested, postage prepaid.

(j) This Agreement has been fully and equally discussed, negotiated and revised between the parties and no one party shall be treated as the dominant drafter hereof.

(k) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

This Agreement is executed by the City and Owens as of the date set forth above.

PO:

OWENS TOLLWAY 10, LLC

By:

Patti Owens, Manager

CITY:

CITY OF CELINA

By: _____

Name: _____

Its: _____

EXHIBIT A
City's Property



TRACT 1 - CONCEPT PLAN

PRELIMINARY SITE PLAN

Celina, Texas
March 2018

DWG NAME: LAST SAVED: K:\P\1_CIVIL\1_SINGLE FAMILY PURSUITS\20161117 - CENTURION AMERICAN-CELINA TRACT\CAD\EXHIBITS\CONCEPT EXHIBIT_180405.DWG 4/20/18 3:14 PM

Kimley»Horn

5750 Genesis Court
Suite 200
Frisco, Texas 75034
972-335-3580
State of Texas Registration No. F-928

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND HAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY OR CONTACT WITH THE CITY/COUNTY, ETC.

EXHIBIT B
Owens's Property



EXHIBIT C
Temporary Construction and Access Easement

AFTER RECORDING RETURN TO:

Owens Tollway 10, LLC
 6740 CR 173
 Celina, TX 75009

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.

TEMPORARY CONSTRUCTION AND ACCESS EASEMENT

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF COLLIN	§	

This Temporary Construction and Access Easement (this “**Agreement**”), is made as of _____, 2018, between City of Celina, a municipal corporation of Collin County, Texas (“**Grantor**”), and Owens Tollway 10, LLC a Texas limited liability company (“**Grantee**”).

- A. Grantor is the owner of that certain tract of real property located in Celina, Texas, more particularly described in **Exhibit “A”** attached hereto (the “**Easement Area**”).
- B. Grantee is the owner of that certain real property located in Celina, Texas, more particularly described in **Exhibit “B”** attached hereto (the “**Grantee Property**”).
- C. In connection with Grantee’s construction of various roadway and related improvements (the “**Improvements**”), Grantee desires to obtain from Grantor a temporary construction easement over and across the Easement Area, for use by Grantee, and its successors, assigns, agents, contractors, subcontractors, employees and invitees in connection with construction of the Improvements.

NOW, THEREFORE, for and in consideration of good and valuable consideration paid by Grantee, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee agree as follows:

1. Temporary Construction Easement.

- (a) Grantor hereby grants and conveys to Grantee non-exclusive temporary construction access easement over and across the Easement Area (the “**Temporary Easement**”). The Temporary Easement is for the benefit of, and may be used by, Grantee and Grantee’s agents, contractors, subcontractors, employees, and invitees, in connection with construction of the Improvements, including for storage of equipment and materials and parking of construction vehicles, and all matters incidental thereto.
- (b) This grant of a temporary easement by Grantor is made subject to all valid easements, restrictions and encumbrances affecting the Temporary Easement and/or Easement Area. In no

event shall this Temporary Easement be construed as a dedication to the public or as creating any rights in or for the benefit of any third party, or the general public, in and to the Easement Area until after the Improvements are completed and accepted by the City.

(c) Grantor shall not unreasonably interfere with Grantee's use of the Temporary Easement ~~Tract~~ or otherwise impede the completion of the Improvements by Grantee. During Grantee's design, construction and completion of the Improvements, Grantee shall use all commercially reasonable efforts to minimize any disturbance of Grantor's use, development and operation of the Easement Area. Should Grantor build the Improvements as authorized by the separate written Easement Agreement between Grantor and Grantee (the "Easement Agreement"), such construction by Grantor shall not be considered interference with Grantee's use of the Temporary Easement.

(d) Grantee will not create or permit to be created or remain, and will discharge, at Grantee's sole cost and expense, any and all liens, encumbrances or charges levied on account of any builder's, supplier's, mechanic's, laborer's, materialmen's or similar lien that might become a lien, encumbrance or charge upon the Easement Area or any part thereof, with respect to any work or services performed or material furnished by or at the direction of Grantee in connection with the construction of the Improvements. If any such liens, encumbrances or charges shall at any time be filed against the Easement Area or any part thereof by reason of work or services performed or material furnished by or at the direction of Grantee, then Grantee will cause the same to be fully discharged and released of record, within 30 days after the filing thereof, by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Grantee is unable to get the lien removed, such lien shall automatically become a lien upon the Grantee Property.

2. **Indemnity.** GRANTEE, ON BEHALF OF GRANTEE AND GRANTEE'S AGENTS, CONTRACTORS, SUBCONTRACTORS, EMPLOYEES, AND INVITEES (THE "GRANTEE PARTIES"), HEREBY RELEASES GRANTOR, GRANTOR'S AGENTS, CONTRACTORS, SUBCONTRACTORS, AND EMPLOYEES (THE "GRANTOR PARTIES"), AND AGREES TO INDEMNIFY THE GRANTOR PARTIES, AND THEIR SUCCESSORS AND ASSIGNS, AND DEFEND THE GRANTOR PARTIES AND HOLD THE GRANTOR PARTIES HARMLESS, FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES OF ACTION, LOSSES, EXPENSES AND DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES TO PROPERTY AND/OR PERSONAL INJURIES OR DEATH, IN ANY WAY RELATING TO, ARISING OUT OF, INCIDENTAL TO, OR IN ANY WAY RESULTING FROM USE OF THE TEMPORARY EASEMENT, OR THE EASEMENT AREA BY THE GRANTEE PARTIES. IN ADDITION, GRANTEE AGREES TO PROMPTLY PAY, AND AGREES TO INDEMNIFY THE GRANTOR PARTIES, FOR ANY AND ALL CLAIMS RELATING TO LABOR AND/OR MATERIALS CONTRACTED FOR BY THE GRANTEE PARTIES RELATING TO THE TEMPORARY EASEMENT, -AND THE EASEMENT AREA.
3. **Covenants Run With Land.** All provisions of this Agreement should be interpreted as running with the land, so that the provisions hereof are binding upon and inure to the benefit of all present and future owners of the Grantee Property. Notwithstanding anything to the contrary contained herein, Grantor and Grantee, and their respective successors in interest, shall only be obligated under this Agreement to the extent the terms hereof relate to the period during which they own the Easement Area or the Grantee Property, as applicable.
4. **Remedies.** If either party fails to perform its obligations under this Agreement within thirty (30) days following delivery of notice from the non-defaulting party to the defaulting party, then in addition to its other rights and remedies, the non-defaulting party shall be entitled to cure such

default and perform the obligations of the defaulting party; provided, however, if such failure cannot through the exercise of reasonable diligence be cured within such thirty (30) days, a default shall not be deemed to have occurred so long as the allegedly defaulting party commences its curative efforts within such thirty (30)-day period and diligently prosecutes same to completion within a reasonable time. Promptly following demand, the defaulting party shall reimburse the non-defaulting party for all actual reasonable costs and expenses (together with interest thereon at the highest lawful rate) incurred by the non-defaulting party in connection with the cure of such default.

5. **Term.** The term of the Temporary Easement shall commence as of the date hereof and shall automatically expire on the earlier of (i) completion of construction of the Improvements by either Grantee or Grantor or (ii) twenty-four (24) months after execution of this Agreement. Upon the expiration or termination of the Temporary Easement, Grantee shall remove from the Temporary Easement all equipment, machinery, construction materials, refuse, spoils, construction staging structures, spoils structures, fencing, and other materials and structures placed by Grantee, its agents or contractors on the Temporary Easement, except for the Improvements, and shall restore the Temporary Easement as close to the condition in which it was found before the Improvements were constructed. Upon completion of the Improvements and acceptance of the Improvements by the City, the area containing the Improvements shall be dedicated to, or by, the City as public right-of-way. If City constructs the Improvements, then the Improvements shall be dedicated as public right-of-way only after Grantee reimburses City for the cost of design and construction of the Improvements, up to One Hundred Fifty Thousand dollars (\$150,000.00), as set forth in the Easement Agreement.
6. **Easement Area Maintained.** During the term of the Temporary Easement, Grantee shall maintain the Temporary Easement in a clean and orderly condition consistent with Grantee's use of the Grantee Property for construction purposes; and shall comply with all applicable City of Celina ordinances.

EXECUTED AND EFFECTIVE this ____ day of _____, 2018.

GRANTOR:
CITY OF CELINA

By: _____
Name: _____
Its: _____

GRANTEE:
OWENS TOLLWAY 10, LLC

By: _____
Patti Owens, Manager

STATE OF TEXAS §
 §
 COUNTY OF DALLAS §

This instrument was acknowledged before me on _____ 2018, by
 _____, the _____ of the City of Celina, Texas.

 Notary Public, State of Texas

STATE OF TEXAS §
 §
 COUNTY OF COLLIN §

This instrument was acknowledged before me on _____ 2018, by Patti
 Owens, in her capacity as the Manager of Owens Tollway 10, LLC, a Texas limited liability company.

 Notary Public, State of Texas

EXHIBIT A
Easement Area



TRACT 1 - CONCEPT PLAN

PRELIMINARY SITE PLAN

Celina, Texas
March 2018

DWG NAME: KIPRI_CIVILSINGLE_FAMILY_PURSUIT2016117 - CENTURON AMERICAN-CELINA TRACT1CAD/EXHIBITS/CONCEPT EXHIBIT_180405.DWG
LAST SAVED: 4/20/18 3:14 PM

Kimley»Horn

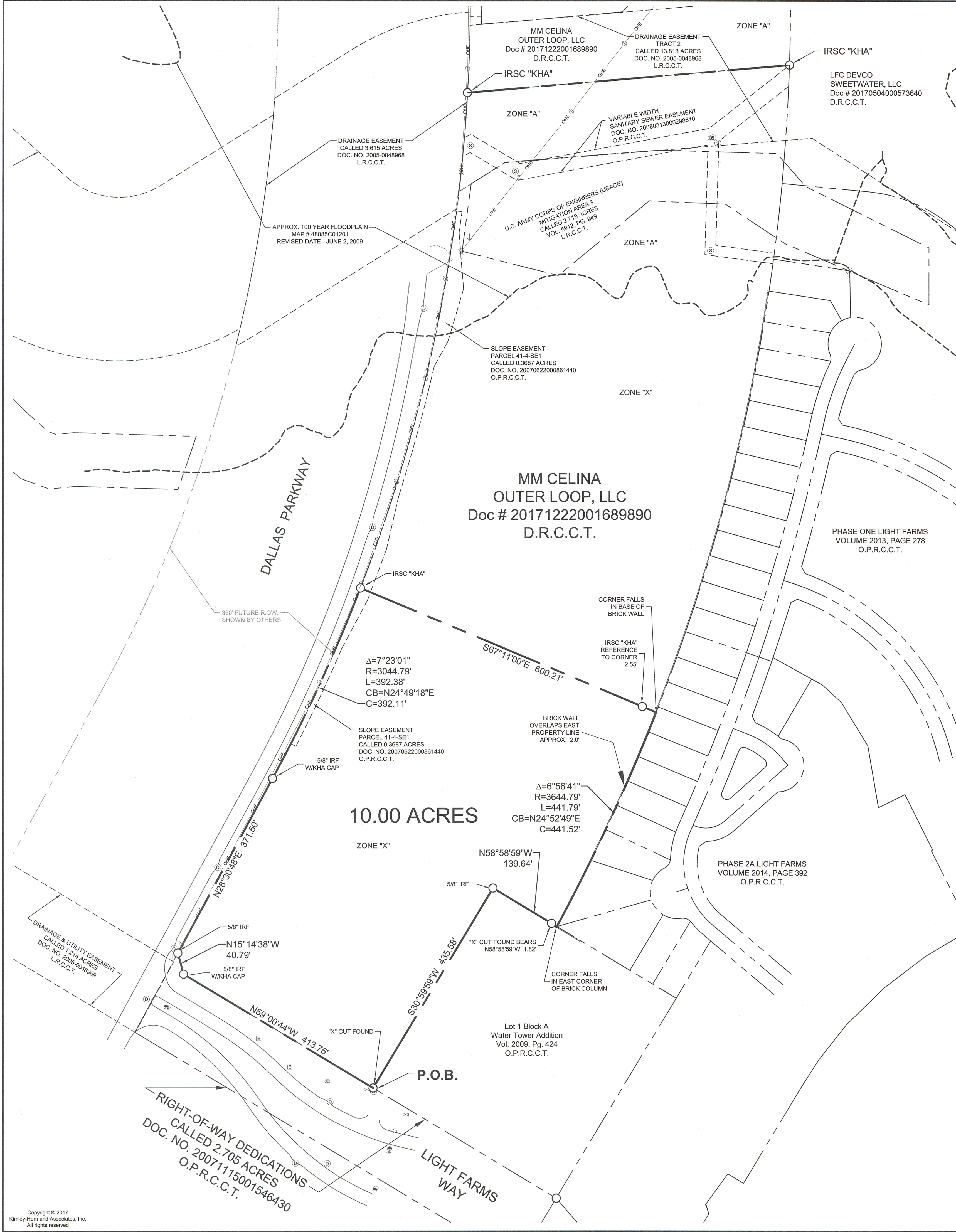
5750 Genesis Court
Suite 200
Frisco, Texas 75034
972-335-3580
State of Texas Registration No. F-928

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND HAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY OR CONTACT WITH THE CITY/COUNTY, ETC.

EXHIBIT B
Grantee Property

Exhibit B

Exhibit B



LEGAL DESCRIPTION
10.00 ACRES

BEING a tract of land situated in the John Ragsdale Survey, Abstract No.734, City of Celina, Collin County, Texas and being a portion of that tract of land conveyed to MM Celina Outer Loop, LLC, recorded in Document Number 20171222001689890, Deed Records of Collin County, Texas and being more particularly described as follows:

BEGINNING at a x-cut found in the north line of Light Farms Way, for the most southerly southeast corner of said MM Celina Outer Loop tract:

THENCE North 59°00'44" West, with said north line, a distance of 413.75 feet to a 5/8" iron rod with plastic cap stamped "KHA" found at the south end of a corner clip for the southwest corner of this tract;

THENCE North 15°14'38" West, with said corner clip, a distance of 40.79 feet to a 5/8" iron rod found in the east line of Dallas Parkway for the north end of said corner clip;

THENCE North 28°30'48" East, with said east line, a distance of 371.50 feet to a 5/8" iron rod with plastic cap stamped "KHA" found for a corner at the beginning of a non-tangent curve to the left having a central angle of 07°23'01", a radius of 3044.79 feet, a chord bearing and distance of North 24°49'18" East, 392.11 feet;

THENCE in a northeasterly direction, continuing with said east line and curve to the left, an arc distance of 392.38 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for the northwest corner of this tract;

THENCE South 67°11'00" East, leaving said east line, over and across said MM Celina Outer Loop tract, a distance of 600.21 feet to a point in concrete for corner in the west line of Phase 2A Light Farms, according to the plat filed of record in Volume 2014, Page 392, Official Public Records Collin County, Texas, same being common with the east line of said MM Celina Outer Loop tract, for the northeast corner of this tract and being the beginning of a non-tangent curve to the right having a central angle of 6°56'41", a radius of 3644.79 feet, a chord bearing and distance of South 24°52'49" West, 441.52 feet, from said point a 5/8" iron rod with plastic cap stamped "KHA" set for reference to said corner bears North 67°11'00" West, 2.55 feet;

THENCE in a southwesterly direction, with said common line and curve to the right, an arc distance of 441.79 feet to a point at the east corner of a brick column and being in the northeasterly line of Lot 1, Block A, Water Tower Addition, according to the plat filed of record in Volume 2009, Page 424, Official Public Records Collin County, Texas, for the most easterly southeast corner of this tract, from said point an x-cut in concrete bears North 58°58'59" West, 1.82 feet;

THENCE North 58°58'59" West, with the southerly line of said MM Celina Outer Loop tract, same being common with said northeasterly line, a distance of 139.64 feet to a 5/8" iron rod found for the north corner of said Lot 1, same being a common interior "el" corner of said MM Celina Outer Loop tract and this tract;

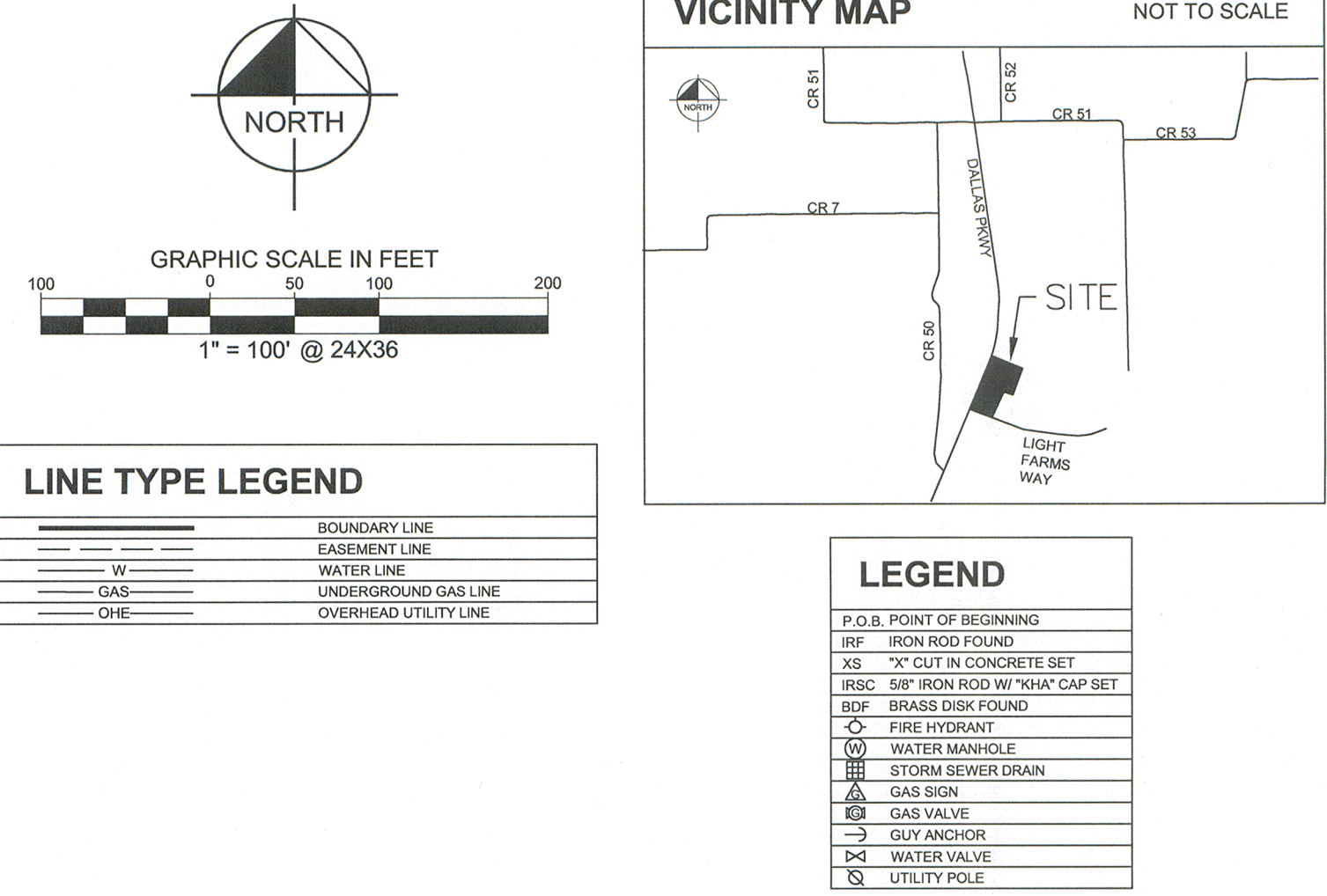
THENCE South 30°59'59" West, with the westerly line of said Lot 1, same being common with a southeasterly line of said MM Celina Outer Loop tract and this tract, a distance of 435.58 feet to the POINT OF BEGINNING and containing 10.00 acres of land, more or less.

NOTES ADDRESSING SCHEDULE B EXCEPTIONS:

(Pursuant to Commitment for Title Insurance, provided by Fidelity National Title Insurance Company, GF. No. 1800386-FSCA, effective date January 24, 2018, issued February 14, 2018.)

1.The following restrictive covenants of record itemized below:

- Those recorded in Volume 5586, Page 3071; Volume 5912, Page 1007, Official Public Records, Collin County, Texas.
- e. Slope Easement executed by Lucas Celina 209 LTD., to the County of Collin, Texas, dated May 30, 2007, filed June 22, 2007, recorded under Instrument No. 20070622000861440, Official Public Records, Collin County, Texas. (AS SHOWN HEREON)
- f. Terms, conditions and stipulations contained in Special Warranty Deed executed by Light Brothers Partnership to 14875 Partners, Ltd., dated January 15, 2004, filed January 16, 2004, recorded in Volume 5586, Page 3071, Official Public Records, Collin County, Texas, as affected by Release of Platting and Construction Obligation in Restrictive Covenant dated November 14, 2007, filed November 14, 2007, recorded under Instrument No. 20071114001544490, Official Public Records, Collin County, Texas. (Subject Tract is a portion of Tract 1 as described in Volume 5586, Page 3071)
- g. Terms, conditions and stipulations contained in Special Warranty Deed executed by 14875 Partners, Ltd., to WD Celina/Tollway, L.P., dated April 29, 2005, filed May 5, 2005, recorded in Volume 5912, Page 1007, Official Public Records, Collin County, Texas. (Subject Tract is a portion of that 365.311 acres described in Volume 5912, Page 1007)
- Terms, conditions and stipulations contained in Special Warranty Deed executed by 14875 Partners, Ltd., to The Carolina Development Company, Inc., dated November 2, 2005, filed November 8, 2005, recorded in Volume 6041, Page 847, Official Public Records, Collin County, Texas, and refiled in Volume 6068, Page 676, Official Public Records, Collin County, Texas. (Subject Tract is a portion of that 365.311 acres described in Volume 6041, Page 847)
- h. Terms, conditions and stipulations contained in Amended and Restated Development Agreement by and between the City of Celina, 2007, recorded under Instrument No. 20071101001489980, Official Public Records, Collin County, Texas, as affected by Addendum to Amended and Restated Development Agreement recorded under instrument No. 20071101001489990, and as affected by First Amendment to Amended and Restated Development Agreement recorded under Instrument No. 20071114001544520, Official Public Records, Collin County, Texas. (Subject Tracts are a portion of that 365.311 acre tract as described under Exhibit "A" in Instrument No. 20071101001489980)
- i. Terms, conditions and stipulations contained in Notice of Notice of Assignment of Commission Proceeds executed by Looper Reed & McGraw, P.C., dated August 17, 2012, filed August 30, 2012, recorded under Instrument No. 20120830001085370, Official Public Records, Collin County, Texas. (Subject tract is a portion of those tracts listed to be within the John Ragsdale Survey, Abstract 734)



Notes :

- All bearings shown are based on grid north of the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983. All dimensions shown are ground distances. To obtain a grid distance, multiply the ground distance by the Project Combined Factor (PCF) of 0.999854521.
- According to Map No. 48085C0120J, dated June 2, 2009, of the National Flood Insurance Program Map, Flood Insurance Rate Map of Collin County, Texas, Federal Emergency Management Agency, Federal Insurance Administration, this property is located within Unshaded Zone "X"; defined as areas determined to be outside the 500-year flood plain. This flood statement does not imply that the property and/or the structures thereon will be free from flooding or flood damage. On rare occasions, greater floods can and will occur and flood heights may be increased by man-made or natural causes. This flood statement shall not create liability on the part of the surveyor.
- This survey does not provide any determination concerning wetlands, fault lines, toxic waste or any other environmental issues. Such matters should be directed by the client or prospective purchaser to an expert consultant.
- The area shown hereon is based on the mathematical closure of the courses and distances reflected on this survey. It does not include the tolerances that may be present due to the positional accuracy of the boundary monumentation.
- The surveyor has not been provided with construction plans showing the location of underground utilities. Underground utilities may exist which are not shown hereon.
- Visible improvements/utilities were located with this survey, no subsurface probing, excavation or exploration was performed for this survey.

SURVEYOR CERTIFICATE:

TO: MM Celina Outer Loop, LLC, Clear Creek Retail, LLC, Silver Star Title, LLC dba Sendera Title and Fidelity National Title Insurance Company.

I SEAN PATTON, A REGISTERED PROFESSIONAL LAND SURVEYOR, HEREBY CERTIFY THAT THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION II, LAND TITLE SURVEY.

SEAN PATTON
Registered Professional Land Survey No. 5660

LAND TITLE SURVEY
10.00 ACRES
JOHN RAGSDALE SURVEY
ABSTRACT NO. 734
CITY OF CELINA, COLLIN COUNTY, TEXAS

Kimley»Horn

5750 Genesis Court, Suite 200
Frisco, Texas 75034
FIRM # 10193822
Tel. No. (972) 335-3580
Fax No. (972) 335-3779

No.	DATE	REVISION DESCRIPTION
2	2/15/18	Revised owner information
1	2/15/18	Revised Certification & Title Comm. date

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
1" = 100'	SEP	KHA	02/15/2018	064040007	1 OF 1

EXHIBIT D
Concept Plan depicting City Easement and Additional Easement



- NOTES:
- A: APPROXIMATELY 50' ACCESS EASEMENT FROM PROPERTY LINE
 - B: 15' TEMPORARY CONSTRUCTION EASEMENT TO CONSTRUCT PROPOSED DRIVE
 - C: 30' ACCESS EASEMENT
 - D: LEFT TURN LANE AND ACCESS EASEMENT FROM LIGHT FARMS WAY TO ADJACENT PARCELS

TRACT 1 - CONCEPT PLAN

PRELIMINARY SITE PLAN

Celina, Texas
March 2018

DWG NAME: K:\P\1_CIVIL\1_SINGLE FAMILY PURSUITS\20161117 - CENTURION AMERICAN-CELINA TRACT\CAD\EXHIBITS\CONCEPT EXHIBIT_180405.DWG
LAST SAVED: 4/20/18 3:14 PM

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5750 Genesis Court
Suite 200
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972-335-3580
State of Texas Registration No. F-928

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND HAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY OR CONTACT WITH THE CITY/COUNTY, ETC.



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Paul DeBuff, Assistant to the City Manager
 CC: Jason Laumer, City Manager
 Date: August 14, 2018
 Re: CMAR Contract: AUI

Action Requested:

Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and AUI Partners, LLC for Construction Manager at Risk services for the expansion/construction of Old Celina Park. (DeBuff/Brawner)

Background Information:

This agreement engages AUI Partners, LLC in the expansion and construction of Old Celina Park.

AUI Partners, LLC was chosen from a highly competitive RFQ-based selection process. Staff is recommending AUI as the construction firm for the Old Celina Parks Expansion, and asks Council accept the attached contract.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

Finalized price will be brought to City Council; per attached agreement and based on 4% of guaranteed maximum price.

Legal Review:

This agreement has been reviewed by the City Attorney and Engineering staff.

Supporting Documents:

- Construction Manager at Risk Agreement & supplemental conditions

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS

CONSTRUCTION MANAGER AT RISK AGREEMENT

For the consideration hereinafter set forth, ___AUI Partners, LLC___ (“Contractor” or “Construction Manager”), a ___Texas___ Limited Liability Company with an office in ___Fort Worth___, Texas, agrees to provide construction services to the CITY OF CELINA, TEXAS (“CITY” or “Owner”), for the project(s) and work identified in this Construction Manager at Risk Agreement (“Agreement”). This Agreement is effective as of _____, 2018, and unless earlier terminated pursuant to the provisions hereof, shall continue through the completion of performance of the Work specified hereunder.

WHEREAS, Owner desires to obtain professional construction and construction manager services from Contractor for the _____ project (“Project”); and

WHEREAS, Contractor is a construction firm selected to provide such services, based upon Contractor’s municipal experience, references and qualifications, and is willing to undertake the performance of such services for Owner in exchange for payment and fees as hereinafter specified.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Contract Documents, and subject to the terms and conditions hereinafter stated, Owner and Contractor do mutually agree as follows:

ARTICLE 1. CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE

The term “Contract Documents” shall include and consist of the following documents:

1. This Agreement;
2. Standard Form of Agreement Between Owner and Construction Manager as Constructor, AIA Document A133-2009, as amended and modified by the Owner and Contractor;
3. The Guaranteed Maximum Price Amendment, as agreed to by Owner and Construction Manager;
4. The General Conditions of the Contract for Construction, AIA Document A201-2007, dated _____, 2018. Whenever the term “AIA Document A201-2007, General Conditions of the Contract for Construction” or similar reference is used in the Contract Documents, including but not limited to the Standard Form of Agreement Between Owner and Construction Manager as Constructor, AIA Document A133-2009, and Exhibit A, the Guaranteed Maximum Price Amendment attached to A133-2009, then such reference shall mean the AIA Document A201-2007 referenced in this section.

5. Supplementary Conditions to AIA Document A133-2009, as modified by Owner and Construction Manager;
6. Any Addenda adopted and agreed to by Owner and Contractor applicable to the Project;
7. The Specifications contained in the Project Manual adopted and agreed to by Owner and Contractor applicable to the Project;
8. The Drawings adopted and agreed to by Owner and Contractor applicable to the Project;
9. Other documents that form part of the Contract Documents:
 - a. Contractor's Qualification Statement;
 - b. Advertisement for Bids;
 - c. Instruction to Bidders;
 - d. Bid form;
 - e. Certified Sealed Proposal submitted by Contractor; and
10. Other amendments and/or modifications to the above documents as are agreed upon by Contractor and Owner.

These Contract Documents are incorporated by reference into this Agreement as if set out herein in their entirety. The Contract Documents are intended to be complementary; what is called for by one document shall be as binding as if called for by all Contract Documents. It is specifically provided, however, that in the event of any inconsistency in the Contract Documents, the inconsistency shall be resolved by giving precedence to the Contract Documents in the order in which they are listed above. In the case of inconsistency between the documents that is not resolved by the order in which they are listed above, the better quality or greater quantity of Work shall be provided in accordance with the Owner's interpretation. Should Drawings disagree in themselves or with Specifications and are not clarified by addendum, the better quality or greater amount of Work or materials shall be estimated upon and, unless otherwise ordered by Architect in writing, shall be performed and furnished. Figures given on Drawings govern scale measurements, and large-scale details govern small scale drawings.

ARTICLE 2. EMPLOYMENT OF CONTRACTOR

A. Contractor will perform as an independent contractor all services under this Agreement to the prevailing professional standards consistent with the level of care and skill ordinarily exercised by members of the contractor/construction manager profession, both public and private, currently practicing in the North Texas area under similar conditions including, but not limited to, the exercise of reasonable, informed judgments and prompt, timely action. If Contractor is representing that it has special expertise in one or more areas to be utilized in this Agreement, then Contractor agrees to perform those special expertise services to the appropriate local, regional and national professional standards.

B. The Contractor's and Owner's representatives on the Project(s) are listed as follows:

1. Contractor's Representative:

Dustin Stiffler

AUI Partners, LLC

13600 Heritage Parkway, Suite 150

Fort Worth, Texas 76177

817-926-4377

dstiffler@auipartners.com

2. Owner's Representative:

Kimberly Brawner, P.E.

142 N. Ohio St

Celina, TX 75009

972-382-2682

Neither the Owner's nor the Contractor's representative shall be changed without ten (10) days' written notice to the other party. Additionally, the roles and responsibilities of the following individuals shall not be materially changed during the project duration, provided that their employment with the Contractor continues, and any such proposed change in the following personnel must have prior written approval by the Owner:

Dustin Stiffler Project Executive providing a minimum of 20 % time commitment to the Project(s).

Dustin Stiffler Project Manager providing a minimum of 50 % time commitment to the Project(s).

Ken Larkin Project Superintendent providing a minimum of 100 % time commitment to the Project(s).

ARTICLE 3. SCOPE OF SERVICES

Contractor shall perform such services as are necessary to the Project specifically including, but not necessarily limited to, the tasks enumerated more fully in the Contract Documents.

ARTICLE 4. CONTRACTOR'S LIABILITY

A. Acceptance of the Work by Owner shall not constitute nor be deemed a release of the responsibility and liability of Contractor, its employees, associates, agents or subcontractors for the accuracy and competency of their performance of the Work; nor shall such acceptance be

deemed an assumption of responsibility by Owner for any defect in the performance of the Work by said Contractor, its employees, associates, agents or subcontractors.

B. If at any time during the term of this Agreement, Contractor shall fail to perform the Work in accordance with the provisions of this Agreement or fail to diligently provide construction manager at risk construction services in an efficient, timely and careful manner and in strict accordance with the provisions of this Agreement or fail to use an adequate number of quality or quality of personnel to complete the Work or fail to perform any of its obligations under this Agreement, then Owner shall have the right, if Contractor shall not cure any such default after thirty (30) days' written notice thereof, to terminate this Agreement. Any such act by Owner shall not be deemed a waiver of any other right or remedy of Owner. If, after exercising any such remedy due to Contractor's non-performance under this Agreement, the cost to Owner to complete the Work to be performed under this Agreement is in excess of that part of the Agreement sum which has not theretofore been paid to Contractor hereunder, Contractor shall be liable for and shall reimburse Owner for such excess.

C. Owner may deduct from any amounts due or to become due to Contractor any sum or sums owing by Contractor to Owner. In the event of any breach by Contractor of any provision of this Agreement or in the event of any claim against Owner arising out of Contractor's performance under this Agreement, Owner shall have the right to retain out of any payment due or to become due to Contractor an amount determined by Owner to be sufficient to protect Owner from any and all loss, damage or expense therefrom, until the breach or claim has been satisfactorily remedied or adjusted by Contractor. Owner may use these funds to pay replacement or substitute contractors to complete unfinished or defective Work. Owner may withhold payment of some or all of any progress or final payment that would otherwise be due if the Owner determines, in its discretion, that it is necessary and proper to provide an additional source of funds to pay claims for which the Owner is entitled to indemnification from Contractor under this Agreement. Amounts withheld under this Article shall be in addition to any retainage.

D. If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten (10) day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness or, if such default or neglect cannot be cured within such ten (10) day period, provide a plan and schedule for correction of such default or neglect that is reasonably agreeable to the Owner, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case, an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services, if any, made necessary by such default, neglect or failure. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 5. CONFIDENTIAL INFORMATION

Contractor hereby acknowledges and agrees that its representatives may have access to or otherwise receive information during the furtherance of its obligations in accordance with this Agreement, which is of a confidential, non-public or proprietary nature. Contractor shall treat any such information received in full confidence and will not disclose or appropriate such confidential information for its own use or the use of any third party at any time during or subsequent to this

Agreement. As used herein, “confidential information” means all oral and written information concerning Owner, its affiliates and subsidiaries, and all oral and written information concerning Owner, or its activities, that is of a non-public, proprietary or confidential nature including, without limitation, information pertaining to customer lists, services, methods, processes and operating procedures, together with all analyses, compilation, studies, or other documents, whether prepared by Contractor or others, which contain or otherwise reflect such information. The term “confidential information” shall not include such materials that are or become generally available to the public other than as a result of disclosure by Contractor, or are required to be disclosed by a governmental authority under applicable law.

ARTICLE 6. INDEMNITY

NOTWITHSTANDING ANY OTHER PROVISION IN THE CONTRACT DOCUMENTS TO THE CONTRARY:

A. CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS OWNER, ITS CITY COUNCIL, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, WHICH IN ANY WAY ARISE OUT OF, RELATE TO, OR RESULT FROM THE PERFORMANCE OF THE WORK OR WHICH ARE CAUSED BY THE INTENTIONAL ACTS OR NEGLIGENT ACTS OR OMISSIONS OF CONTRACTOR OR ITS SUBCONTRACTORS, AND ANY OTHER THIRD PARTIES FOR WHOM OR WHICH CONTRACTOR IS LEGALLY RESPONSIBLE (THE “INDEMNIFIED ITEMS”). BY WAY OF EXAMPLE, THE INDEMNIFIED ITEMS MAY INCLUDE PERSONAL INJURY AND DEATH CLAIMS AND PROPERTY DAMAGE CLAIMS, INCLUDING THOSE FOR LOSS OF USE OF PROPERTY. INDEMNIFIED ITEMS SHALL INCLUDE ATTORNEY’S FEES AND COSTS OF COURT, COURT COSTS, AND SETTLEMENT COSTS. INDEMNIFIED ITEMS SHALL ALSO INCLUDE ANY EXPENSES, INCLUDING ATTORNEY’S FEES AND EXPENSES, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY.

B. IN ITS SOLE DISCRETION, THE CITY SHALL HAVE THE RIGHT TO APPROVE COUNSEL TO BE RETAINED BY CONTRACTOR IN FULFILLING ITS OBLIGATION TO DEFEND AND INDEMNIFY THE CITY. CONTRACTOR SHALL RETAIN APPROVED COUNSEL FOR THE CITY WITHIN SEVEN (7) BUSINESS DAYS AFTER RECEIVING WRITTEN NOTICE FROM THE CITY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF CONTRACTOR DOES NOT RETAIN COUNSEL FOR THE CITY WITHIN THE REQUIRED TIME, THEN THE CITY SHALL HAVE THE RIGHT TO RETAIN COUNSEL AND THE CONTRACTOR SHALL PAY THESE ATTORNEY’S FEES AND EXPENSES. THE CITY RETAINS THE RIGHT TO PROVIDE AND PAY FOR ANY AND ALL COSTS OF DEFENDING INDEMNIFIED ITEMS, BUT IT SHALL NOT BE REQUIRED TO DO SO.

C. THE OBLIGATIONS SET FORTH IN THIS ARTICLE SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

D. Contractor shall cause all contracts for subcontracted services to include a like indemnity that shall cover both the Owner and Contractor. Nothing herein shall limit the insurance requirements or applicability of same set forth in this Agreement and the Contract Documents.

E. The above indemnity is a business understanding between the parties and applies to all different theories of recovery, including breach of contract or warranty, tort including negligence, statutory liability or any other cause of action.

ARTICLE 7. TERMINATION OR SUSPENSION

A. If the Owner fails to make payments to the Contractor in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Contractor's option, cause for suspension of performance of Work under this Agreement. If the Contractor elects to suspend performance of the Work, the Contractor shall give ten (10) days' written notice to the Owner before suspending performance of the Work. In the event of a suspension of performance of the Work, the Contractor shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of performance of the Work. Before resuming Work, the Contractor shall be paid all sums due prior to suspension and any reasonable expenses incurred in the interruption and resumption of the Contractor's Work.

B. If the Owner suspends the Project, the Contractor shall be compensated for Work performed satisfactorily prior to notice of such suspension. When the Project is resumed, the Contractor may be compensated for expenses incurred in the interruption and resumption of the Contractor's performance of the Work. The Contractor's fee for the remaining Work and the time schedules may be equitably adjusted. If the Owner suspends the Project for more than ninety (90) cumulative days for reasons other than the fault of the Contractor, the Contractor may terminate this Agreement by giving not less than thirty (30) days' written notice.

C. Either party may terminate this Agreement upon not less than thirty (30) days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

D. The Owner may terminate this Agreement upon not less than thirty (30) days' written notice to the Contractor for the Owner's convenience and without cause. In the event of termination not the fault of the Contractor, the Contractor shall be compensated for services performed prior to termination.

E. Notwithstanding any other provision in the Contract Documents to the contrary, it is agreed by the parties that: (1) if an order for relief is entered on behalf of Contractor pursuant to Title 11 of the United States Code, (2) if any other similar order is entered under any other debtor relief laws, (3) if Contractor makes a general assignment for the benefit of its creditors, (4) if a receiver is appointed for the benefit of Contractor's creditors, or (5) if a receiver is appointed on account of Contractor's insolvency, any such event could impair or frustrate Contractor's performance of the Contract Documents. Accordingly, it is agreed that upon occurrence of any of the above-listed events, Owner shall be entitled to request of Contractor or its successor in interest adequate assurance of future performance in accordance with the terms and conditions of the Contract Documents. Failure to comply with such request within ten (10) days of delivery of the request shall entitle Owner to terminate this Agreement. In all events pending receipt of adequate

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assurance of performance and actual performance in accordance therewith, Owner shall be entitled to proceed with the Work with its own forces or with other contractors on a time and material or other appropriate basis, the cost of which will be back-charged against the Guaranteed Maximum Price.

F. If Project is not completed to Owner's satisfaction after the 400th day from the execution of GMP Amendment, Owner may elect to terminate this agreement.

ARTICLE 8. CLAIMS AND DISPUTES

A. The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other party arising out of or related to this Agreement in accordance with the requirements of the method of binding dispute resolution set forth in this Agreement within the period specified by applicable law. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Article. To the extent damages are covered by property insurance, the Owner and Contractor waive all rights against each other and against the contractors, employees, agents, and subcontractors of the other party for damages, except such rights as they may have to the proceeds of such insurance as set forth in the Contract Documents. The Owner or the Contractor, as appropriate, shall require of the contractors, employees, agents, and subcontractors of any of them similar waivers in favor of the other parties enumerated herein.

B. Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. The Owner and Contractor shall endeavor to resolve claims, disputes and other matters in question between them first, informally and, second, by mediation. A request for mediation shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. The parties shall have fifteen (15) days after receipt of a request for mediation to agree on a mediator. If the parties are unable to agree on a mediator within fifteen (15) days, each party shall have an additional five (5) days to designate a mediator. The two mediators so designated shall then designate a third unbiased mediator who shall be the mediator to conduct the mediation. The decision of the mediator shall be nonbinding. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon by the parties. Written Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

C. If the parties do not resolve a claim, dispute or other matter in question through mediation pursuant to this Article, the method of binding dispute resolution shall be litigation in a court of competent jurisdiction.

ARTICLE 9. INSURANCE AND BONDS

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A. The Contractor shall, at its own expense, procure, pay for and maintain during the term of this Agreement the following insurance written by companies approved by the State of Texas and acceptable to Owner. The Contractor shall furnish to the Owner certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, and expiration dates in compliance with all applicable required provisions:

1. General Liability: Commercial General Liability insurance, including, but not limited to Premises/Operations (including X, C and U coverage as applicable), Personal & Advertising Injury (with Employment Exclusion deleted), Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$2,000,000.00 per occurrence, \$4,000,000.00 Products/Completed Operations Aggregate, and \$4,000,000.00 General Aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.

2. Automobile Liability: Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,000,000.00 per occurrence.

3. Workers' Compensation: Workers' Compensation insurance with statutory limits; and Employer's Liability coverage with minimum limits for bodily injury: (a) by accident, \$1,000,000.00 each accident, and (b) by disease, \$1,000,000.00 per employee, with a per policy aggregate of \$1,000,000.00.

4. Professional Liability: Professional Liability insurance to provide coverage against any claim which the Contractor and all subcontractor engaged by the Contractor become legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$4,000,000.00 per claim, \$4,000,000.00 annual aggregate.

Contractor shall not commence work at the project site(s) under this Agreement until all required insurance has been obtained and appropriate certificates have been submitted to Owner. If Owner is damaged by the failure of Contractor to maintain such insurance as required by the Contract Documents, then Contractor shall bear all reasonable costs properly attributed to such failure.

B. If the insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than thirty-six (36) months following completion of this Agreement and acceptance by Owner.

C. With reference to the foregoing required insurance, the Contractor shall endorse applicable insurance policies as follows: (1) a waiver of subrogation in favor of Owner, its officials, employees and officers shall be contained in the Workers' Compensation insurance policy; (2) the Owner, its officials, employees and officers shall be named as additional insureds on the Commercial General Liability policy, by using endorsement CG2026 or broader; and (3) all insurance policies shall be endorsed to the effect that Owner will receive at least thirty (30) days notice prior to cancellation, non-renewal, termination, or a material change of the policies. All insurance shall be purchased from an insurance company that meets a financial rating of B+IV or better as assigned by A. M. Best Company or equivalent.

D. Pursuant to Texas Administrative Code, Title 28, Section 110.110(c), the following language is hereby included in this Agreement:

REQUIRED WORKERS' COMPENSATION COVERAGE

The law requires that each person working on this site or providing services related to this construction project must be covered by workers' compensation insurance. This includes persons providing, hauling, or delivering equipment or materials, or providing labor or transportation or other service related to the project, regardless of the identity of their employer or status as an employee.

Call the Texas Workers' Compensation Commission at 512-440-3789 to receive information on the legal requirement for coverage, to verify whether your employer has provided the required coverage, or to report an employer's failure to provide coverage.

The Contractor agrees to comply with all applicable provisions of Texas Administrative Code, Title 28, Section 110.110, entitled "Reporting Requirements for Building or Construction Projects for Governmental Entities." Under Section 110.110: (1) certain language must be included in this Agreement and in the Contractor's contracts with subcontractors and others relating to the Work, (2) the Contractor is required to submit to the City certificates of coverage for its employees and for all others providing services relating to the Work until all project Work is completed, and (3) the Contractor is required to post certain notices at job sites.

E. The Contractor shall procure and pay for performance and payment bonds applicable to the Work, in accordance with Texas Government Code, Chapter 2253. The performance and payment bonds shall be issued in forms acceptable to Owner. Among other things, these bonds shall apply to any Work performed during Contractor's performance under this Agreement, and to any Work performed during the warranty period after acceptance. The performance and payment bonds shall be issued by a corporate surety that is authorized to issue performance and payment bonds in Texas. Further, the Contractor shall supply to the Owner all capital and surplus information concerning the surety and all reinsurance information concerning the performance and payment bonds upon Owner request.

ARTICLE 10. MISCELLANEOUS

§10.1 Choice of Law

This Agreement shall be governed by the law of the State of Texas, and venue for any dispute shall be in any court of competent jurisdiction in Collin County, Texas.

§10.2 Severability

If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceable provisions shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein; and it is the intention of the parties that in lieu of each provision that is found to be illegal, invalid, or unenforceable, the parties seek to reasonably negotiate a new provision to this Agreement which is legal, valid, and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

§10.3 Notice

Except as otherwise provided in this Agreement or the Contract Documents, all notices and other communications required or permitted to be given under this Agreement, shall be in writing, addressed to the parties at their respective addresses as provided below, and may be delivered in person, sent by overnight express mail or courier service, or by certified mail, postage prepaid, return receipt requested. The addresses of each party are as follows:

If to the Owner: City of Celina
 City Manager
 142 N. Ohio Street
 Celina, Texas 75009

If to Contractor:
 AUI Partners LLC
 Dustin Stiffler
 13600 Heritage Parkway, Suite 150
 Fort Worth, Texas 76177
 legal@auipartners.com

Each party may from time to time change its address for receipt of notices by sending notice thereof in the manner provided herein to the other party. Each notice given by certified mail shall be deemed delivered on the date of delivery as shown on the return receipt, or if delivery is attempted, at the last address specified and the notice is returned, notice shall be deemed delivered on the date the notice was originally sent. Each notice delivered in any other manner shall be deemed delivered as of the time of actual receipt thereof. The parties acknowledge and agree to provide to the other party within seventy-two (72) hours of transmission such notice documents bearing the original signatures.

§10.4 Unsatisfactory Work

Nothing contained in this Agreement shall require Owner to pay for any work that is not in compliance with the Contract Documents or which is not submitted in compliance with the terms of this Agreement, nor shall such failure to withhold payment pursuant to the provisions of this Section constitute a waiver of any right, at law or in equity, which Owner may have if Contractor is in default, including the right to bring legal action for damages or for a specific performance of this Agreement.

§10.5 Retainage

As is set forth in the Contract Documents, retainage shall be withheld and may be paid to:

- (a) ensure proper completion of the Work, and the Owner may use retained funds to pay replacement or substitute contractors to complete unfinished or defective Work;
- (b) ensure timely completion of the Work, and the Owner may use retained funds to pay liquidated damages; and
- (c) provide an additional source of funds to pay claims for which the Owner is entitled to indemnification from Contractor under the Contract Documents. Retained funds shall be held by

the Owner in accounts that shall not bear interest. Retainage not otherwise withheld in accordance with the Contract Documents shall be returned to the Contractor as part of the final payment.

§10.6 No Respondeat Superior

Contractor will have exclusive control of and the exclusive right to control the details of the Work performed hereunder, and shall be liable for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, and the doctrine of *respondeat superior* shall not apply as between Owner and Contractor, its officers, agents, employees, contractors, and subcontractors, and nothing herein shall be construed as creating a partnership or joint enterprise between Owner and Contractor.

§10.7 Conflict of Interest

Contractor covenants and agrees that Contractor and its associates and employees will have no interest, and will acquire no interest, either direct or indirect, which will conflict in any manner with the performance of the services called for under this Agreement. All activities, investigations and other efforts made by Contractor pursuant to this Agreement will be conducted by employees, associates or subcontractors of Contractor.

§10.8 Non-Waiver

The failure of either party to insist upon or enforce strict performance by the other party of any provision of this Agreement, or to exercise any right under this Agreement, shall not be construed as a waiver or relinquishment to any extent of any such party's right to assert or rely upon any such provision or right in that or any other instance, rather, the same shall be and remain in full force and effect.

§10.9 Assignment

The Owner and Contractor, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Contractor shall assign this Agreement without the prior written consent of the other party.

§10.10 No Third-Party Beneficiary Created

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Contractor.

§10.11 Signatures

The undersigned officers and/or agents of the parties hereto are the properly authorized persons and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary motions, resolutions or other act extending such authority have been duly passed and are now in full force and effect.

[signatures continued on next page]

IN WITNESS WHEREOF, the parties execute below:

CITY OF CELINA, TEXAS

[CONSTRUCTION, COMPANY].

Jason Laumer, City Manager

[NAME, TITLE]

Date: _____

Date: _____

Attachment: CMAR Contract_ AUI MASTER (CMAR Contract: AUI)

AIA® Document A133™ – 2009

Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the *Cost of the Work Plus a Fee with a Guaranteed Maximum Price*

AGREEMENT made as of the 7th day of August in the year 2018
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status and address)

City of Celina, Texas
142 N Ohio
Celina, TX 75009

and the Construction Manager:
(Name, legal status and address)

AUI Partners
13600 Heritage Parkway, Suite 150
Fort Worth, TX 76177

for the following Project:
(Name and address or location)

Old Celina Park
FM 428 and FM 455
Celina, TX 75009

The Architect:
(Name, legal status and address)

Dunkin Sims Stoffels Inc.
622 W State Street
Garland, Tx 75040

The Owner's Designated Representative:
(Name, address and other information)

City of Celina
Kimberly Brawner, PE
Director of Engineering
142 n Ohio St
Celina, TX 75009

The Construction Manager's Designated Representative:
(Name, address and other information)

Dustin Stiffler
AUI Partners
13600 Heritage Parkway, Suite 150
Fort Worth, TX 76177

The Architect's Designated Representative:
(Name, address and other information)

Dennis Sims, RLA
Dunkin Sims Stoffels Inc.
622 W State Street
Garland, TX 75040

The Owner and Construction Manager agree as follows.

Attachment: CMAR Contract_ AUI MASTER (CMAR Contract: AUI)

TABLE OF ARTICLES

- 1 GENERAL PROVISIONS
- 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES
- 3 OWNER'S RESPONSIBILITIES
- 4 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES
- 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES
- 6 COST OF THE WORK FOR CONSTRUCTION PHASE
- 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES
- 8 INSURANCE AND BONDS
- 9 DISPUTE RESOLUTION
- 10 TERMINATION OR SUSPENSION
- 11 MISCELLANEOUS PROVISIONS
- 12 SCOPE OF THE AGREEMENT

EXHIBIT A GUARANTEED MAXIMUM PRICE AMENDMENT

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 2.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 2.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern.

§ 1.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner; to furnish efficient construction administration, management services and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

§ 1.3 General Conditions

For the Preconstruction Phase, AIA Document A201™-2007, General Conditions of the Contract for Construction, shall apply only as specifically provided in this Agreement. For the Construction Phase, the general conditions of the contract shall be as set forth in A201-2007, which document is incorporated herein by reference. The term "Contractor" as used in A201-2007 shall mean the Construction Manager.

ARTICLE 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 2.1 and 2.2. The Construction Manager's Construction Phase responsibilities are set forth in Section 2.3. The Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ 2.1 Preconstruction Phase

§ 2.1.1 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

§ 2.1.2 Consultation

The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work. The Construction Manager shall advise the Owner and the Architect on proposed site use and improvements, selection of materials, and building systems and equipment. The Construction Manager shall also provide recommendations consistent with the Project requirements to the Owner and Architect on constructability; availability of materials and labor; time requirements for procurement, installation and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.

§ 2.1.3 When Project requirements in Section 3.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities and identify items that could affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered well in advance of construction; and the occupancy requirements of the Owner.

§ 2.1.4 Phased Construction

The Construction Manager shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, or phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities and procurement and construction scheduling issues.

§ 2.1.5 Preliminary Cost Estimates

§ 2.1.5.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume or similar conceptual estimating techniques for the Architect's review and Owner's approval. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 2.1.5.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, estimates of the Cost of the Work of increasing detail and refinement and allowing for the further development of the design until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. Such estimates shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect when estimates of the Cost of the Work exceed the latest approved Project budget and make recommendations for corrective action.

§ 2.1.6 Subcontractors and Suppliers

The Construction Manager shall develop bidders' interest in the Project.

§ 2.1.7 The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered well in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered well in advance of

construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 2.1.8 Extent of Responsibility

The Construction Manager shall exercise reasonable care in preparing schedules and estimates. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 2.1.9 Notices and Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi governmental authorities for inclusion in the Contract Documents.

§ 2.2 Guaranteed Maximum Price Proposal and Contract Time

§ 2.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager and in consultation with the Architect, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's review and acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, including contingencies described in Section 2.2.4, and the Construction Manager's Fee.

§ 2.2.2 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Construction Manager shall provide in the Guaranteed Maximum Price for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

§ 2.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- .1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- .2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 2.2.2, to supplement the information provided by the Owner and contained in the Drawings and Specifications;
- .3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, allowances, contingency, and the Construction Manager's Fee;
- .4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and
- .5 A date by which the Owner must accept the Guaranteed Maximum Price.

§ 2.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include its contingency for the Construction Manager's exclusive use to cover those costs considered reimbursable as the Cost of the Work but not included in a Change Order.

§ 2.2.5 The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner and Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 2.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum

Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

§ 2.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the commencement of the Construction Phase, unless the Owner provides prior written authorization for such costs.

§ 2.2.8 The Owner shall authorize the Architect to provide the revisions to the Drawings and Specifications to incorporate the agreed upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish those revised Drawings and Specifications to the Construction Manager as they are revised. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the Guaranteed Maximum Price Amendment and the revised Drawings and Specifications.

§ 2.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 2.3 Construction Phase

§ 2.3.1 General

§ 2.3.1.1 For purposes of Section 8.1.2 of A201–2007, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 2.3.1.2 The Construction Phase shall commence upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal or the Owner's issuance of a Notice to Proceed, whichever occurs earlier.

§ 2.3.2 Administration

§ 2.3.2.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or by other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Architect. The Owner shall then determine, with the advice of the Construction Manager and the Architect, which bids will be accepted. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

§ 2.3.2.2 If the Guaranteed Maximum Price has been established and when a specific bidder (1) is recommended to the Owner by the Construction Manager, (2) is qualified to perform that portion of the Work, and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Contract Time and the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount and time requirement of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 2.3.2.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If the Subcontract is awarded on a cost plus fee basis, the Construction Manager shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Section 6.11 below.

§ 2.3.2.4 If the Construction Manager recommends a specific bidder that may be considered a "related party" according to Section 6.10, then the Construction Manager shall promptly notify the Owner in writing of such relationship and notify the Owner of the specific nature of the contemplated transaction, according to Section 6.10.2.

§ 2.3.2.5 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes to the Owner and Architect.

§ 2.3.2.6 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and submittal schedule in accordance with Section 3.10 of A201–2007.

§ 2.3.2.7 The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner. The Construction Manager shall also keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 2.3.2.8 The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 2.3.2.7 above.

§ 2.4 Professional Services

Section 3.12.10 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 2.5 Hazardous Materials

Section 10.3 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

ARTICLE 3 OWNER'S RESPONSIBILITIES

§ 3.1 Information and Services Required of the Owner

§ 3.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.

§ 3.1.2 Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Construction Manager may only request such evidence if (1) the Owner fails to make payments to the Construction Manager as the Contract Documents require, (2) a change in the Work materially changes the Contract Sum, or (3) the Construction Manager identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Construction Manager and Architect.

§ 3.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1.1, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 3.1.4 Structural and Environmental Tests, Surveys and Reports. During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 3.1.4.1 The Owner shall furnish tests, inspections and reports required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 3.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 3.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 3.1.4.4 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 3.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201–2007, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 3.2.1 **Legal Requirements.** The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 3.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B133™–2014, Standard Form of Agreement Between Owner and Architect, Construction Manager as Constructor Edition. The Owner shall provide the Construction Manager a copy of the executed agreement between the Owner and the Architect, and any further modifications to the agreement.

ARTICLE 4 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

§ 4.1 Compensation

§ 4.1.1 For the Construction Manager's Preconstruction Phase services, the Owner shall compensate the Construction Manager as follows:

§ 4.1.2 For the Construction Manager's Preconstruction Phase services described in Sections 2.1 and 2.2:
(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

« »

§ 4.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within «eight » («8 ») months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 4.1.4 Compensation based on Direct Personnel Expense includes the direct salaries of the Construction Manager's personnel providing Preconstruction Phase services on the Project and the Construction Manager's costs for the mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, employee retirement plans and similar contributions.

§ 4.2 Payments

§ 4.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

§ 4.2.2 Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid « sixty » (« 60 ») days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.
(Insert rate of monthly or annual interest agreed upon.)

8%

ARTICLE 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 5.1 For the Construction Manager's performance of the Work as described in Section 2.3, the Owner shall pay the Construction Manager the Contract Sum in current funds. The Contract Sum is the Cost of the Work as defined in Section 6.1.1 plus the Construction Manager's Fee.

§ 5.1.1 The Construction Manager's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

Margin and Overhead – 4.5% of cost of work and general conditions

Insurance – 1.0% of cost of work and general conditions

Bonding - 1.5% of cost of work and general conditions

§ 5.1.2 The method of adjustment of the Construction Manager's Fee for changes in the Work:

Same as the fee arrangement in 5.1.1.

§ 5.1.3 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

None

§ 5.1.4 Rental rates for Construction Manager-owned equipment shall not exceed Ninety percent (90 %) of the standard rate paid at the place of the Project.

§ 5.1.5 Unit prices, if any:

(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$0.00)
TBD with GMP		

§ 5.2 Guaranteed Maximum Price

§ 5.2.1 The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, as it is amended from time to time. To the extent the Cost of the Work exceeds the Guaranteed Maximum Price, the Construction Manager shall bear such costs in excess of the Guaranteed Maximum Price without reimbursement or additional compensation from the Owner.

(Insert specific provisions if the Construction Manager is to participate in any savings.)

TBD with GMP Amendment

§ 5.2.2 The Guaranteed Maximum Price is subject to additions and deductions by Change Order as provided in the Contract Documents and the Date of Substantial Completion shall be subject to adjustment as provided in the Contract Documents.

§ 5.3 Changes in the Work

§ 5.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Architect may make minor changes in the Work as provided in Section 7.4 of AIA Document A201–2007, General Conditions of the Contract for Construction. The Construction Manager shall be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 5.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Section 7.3.3 of AIA Document A201–2007, General Conditions of the Contract for Construction.

§ 5.3.3 In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of AIA Document A201–2007 and the term "costs" as used in Section 7.3.7 of AIA Document A201–2007 shall have the meanings assigned to them in AIA Document A201–2007 and shall not be modified by Sections 5.1 and 5.2, Sections 6.1 through 6.7, and Section 6.8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 5.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of AIA Document A201–2007 shall mean the Cost of the Work as defined in Sections 6.1 to 6.7 of this Agreement and the term "fee" shall mean the Construction Manager's Fee as defined in Section 5.1 of this Agreement.

§ 5.3.5 If no specific provision is made in Section 5.1.2 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 5.1.2 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 6 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 6.1 Costs to Be Reimbursed

§ 6.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in Sections 6.1 through 6.7.

§ 6.1.2 Where any cost is subject to the Owner's prior approval, the Construction Manager shall obtain this approval prior to incurring the cost. The parties shall endeavor to identify any such costs prior to executing Guaranteed Maximum Price Amendment.

§ 6.2 Labor Costs

§ 6.2.1 Wages of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 6.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site with the Owner's prior approval.

(If it is intended that the wages or salaries of certain personnel stationed at the Construction Manager's principal or other offices shall be included in the Cost of the Work, identify in Section 11.5, the personnel to be included, whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

§ 6.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 6.2.4 Costs paid or incurred by the Construction Manager for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 6.2.1 through 6.2.3.

§ 6.2.5 Bonuses, profit sharing, incentive compensation and any other discretionary payments paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, with the Owner's prior approval.

§ 6.3 Subcontract Costs

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts.

§ 6.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 6.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ 6.4.2 Costs of materials described in the preceding Section 6.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 6.5.1 Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

§ 6.5.2 Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Construction Manager-owned item may not exceed the purchase price of any comparable item. Rates of Construction Manager-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

§ 6.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 6.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

§ 6.5.5 That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

§ 6.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

§ 6.6 Miscellaneous Costs

§ 6.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract. Self-insurance for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

§ 6.6.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Construction Manager is liable.

§ 6.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Construction Manager is required by the Contract Documents to pay.

§ 6.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201-2007 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 6.7.3.

§ 6.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Construction Manager's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the

last sentence of Section 3.17 of AIA Document A201–2007 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

§ 6.6.6 Costs for electronic equipment and software, directly related to the Work with the Owner's prior approval.

§ 6.6.7 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 6.6.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.

§ 6.6.9 Subject to the Owner's prior approval, expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work.

§ 6.7 Other Costs and Emergencies

§ 6.7.1 Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.

§ 6.7.2 Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.4 of AIA Document A201–2007.

§ 6.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Construction Manager and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 6.7.4 The costs described in Sections 6.1 through 6.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201–2007 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 6.8.

§ 6.8 Costs Not To Be Reimbursed

§ 6.8.1 The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 6.2, or as may be provided in Article 11;
- .2 Expenses of the Construction Manager's principal office and offices other than the site office;
- .3 Overhead and general expenses, except as may be expressly included in Sections 6.1 to 6.7;
- .4 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;
- .5 Except as provided in Section 6.7.3 of this Agreement, costs due to the negligence or failure of the Construction Manager, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to fulfill a specific responsibility of the Contract;
- .6 Any cost not specifically and expressly described in Sections 6.1 to 6.7;
- .7 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and
- .8 Costs for services incurred during the Preconstruction Phase.

§ 6.9 Discounts, Rebates and Refunds

§ 6.9.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 6.9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 6.9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.10 Related Party Transactions

§ 6.10.1 For purposes of Section 6.10, the term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Construction Manager; any entity in which any stockholder in, or management employee of, the Construction Manager owns any interest in excess of ten percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Construction Manager. The term "related party" includes any member of the immediate family of any person identified above.

§ 6.10.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods or service from the related party, as a Subcontractor, according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3. If the Owner fails to authorize the transaction, the Construction Manager shall procure the Work, equipment, goods or service from some person or entity other than a related party according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3.

§ 6.11 Accounting Records

The Construction Manager shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, purchase orders, vouchers, memoranda and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 7.1 Progress Payments

§ 7.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Construction Manager as provided below and elsewhere in the Contract Documents.

§ 7.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

« »

§ 7.1.3 Provided that an Application for Payment is received by the Architect not later than the «25 » day of a month, the Owner shall make payment of the certified amount to the Construction Manager not later than the «30th » day of the «following » month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than «Thirty » («30 ») days after the Architect receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

§ 7.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, less that portion of those payments attributable to the Construction Manager's Fee, plus payrolls for the period covered by the present Application for Payment.

§ 7.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Construction Manager's Fee shall be shown as a single separate item. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 7.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work for which the Construction Manager has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 7.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201-2007;
- .2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 Add the Construction Manager's Fee, less retainage of «five » percent (« 5 » %). The Construction Manager's Fee shall be computed upon the Cost of the Work at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .4 Subtract retainage of « five » percent (« 5 » %) from that portion of the Work that the Construction Manager self-performs;
- .5 Subtract the aggregate of previous payments made by the Owner;
- .6 Subtract the shortfall, if any, indicated by the Construction Manager in the documentation required by Section 7.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .7 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-2007.

§ 7.1.8 The Owner and Construction Manager shall agree upon (1) a mutually acceptable procedure for review and approval of payments to Subcontractors and (2) the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 7.1.9 Except with the Owner's prior approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 7.1.10 In taking action on the Construction Manager's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Section 7.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections; or that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

§ 7.2 Final Payment

§ 7.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract except for the Construction Manager's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and
- .3 a final Certificate for Payment has been issued by the Architect.

The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

« »

§ 7.2.2 The Owner's auditors will review and report in writing on the Construction Manager's final accounting within 30 days after delivery of the final accounting to the Architect by the Construction Manager. Based upon such Cost of the Work as the Owner's auditors report to be substantiated by the Construction Manager's final accounting, and provided the other conditions of Section 7.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's auditors, either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Section 9.5.1 of the AIA Document A201-2007. The time periods stated in this Section supersede those stated in Section 9.4.1 of the AIA Document A201-2007. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 7.2.3 If the Owner's auditors report the Cost of the Work as substantiated by the Construction Manager's final accounting to be less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Section 15.2 of A201-2007. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 7.2.4 If, subsequent to final payment and at the Owner's request, the Construction Manager incurs costs described in Section 6.1.1 and not excluded by Section 6.8 to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager such costs and the Construction Manager's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Construction Manager has participated in savings as provided in Section 5.2.1, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Construction Manager.

ARTICLE 8 INSURANCE AND BONDS

For all phases of the Project, the Construction Manager and the Owner shall purchase and maintain insurance, and the Construction Manager shall provide bonds as set forth in Article 11 of AIA Document A201-2007.

(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2007.)

Type of Insurance or Bond

Payment and Performance Bonds

Limit of Liability or Bond Amount (\$0.00)

Value of the Contract at GMP

ARTICLE 9 DISPUTE RESOLUTION

§ 9.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 9 and Article 15 of A201-2007. However, for Claims arising from or relating to the Construction Manager's Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 9.3 of this Agreement shall not apply.

§ 9.2 For any Claim subject to, but not resolved by mediation pursuant to Section 15.3 of AIA Document A201-2007, the method of binding dispute resolution shall be as follows:

(Check the appropriate box. If the Owner and Construction Manager do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)

☒ [**XX**] Arbitration pursuant to Section 15.4 of AIA Document A201–2007

☐ [**«** »] Litigation in a court of competent jurisdiction

☐ [**«** »] Other: (Specify)

« **»**

§ 9.3 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Section 15.2 of AIA Document A201–2007 for Claims arising from or relating to the Construction Manager's Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

« **»**
« **»**
« **»**
« **»**

ARTICLE 10 TERMINATION OR SUSPENSION

§ 10.1 Termination Prior to Establishment of the Guaranteed Maximum Price

§ 10.1.1 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Section 14.1.1 of A201–2007.

§ 10.1.2 In the event of termination of this Agreement pursuant to Section 10.1.1, the Construction Manager shall be equitably compensated for Preconstruction Phase services performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 4.1.

§ 10.1.3 If the Owner terminates the Contract pursuant to Section 10.1.1 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 10.1.2:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
- .3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager which the Owner elects to retain and which is not otherwise included in the Cost of the Work under Section 10.1.3.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 10, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 10.2 Termination Subsequent to Establishing Guaranteed Maximum Price

Following execution of the Guaranteed Maximum Price Amendment and subject to the provisions of Section 10.2.1 and 10.2.2 below, the Contract may be terminated as provided in Article 14 of AIA Document A201–2007.

§ 10.2.1 If the Owner terminates the Contract after execution of the Guaranteed Maximum Price Amendment, the amount payable to the Construction Manager pursuant to Sections 14.2 and 14.4 of A201–2007 shall not exceed the amount the Construction Manager would otherwise have received pursuant to Sections 10.1.2 and 10.1.3 of this Agreement.

§ 10.2.2 If the Construction Manager terminates the Contract after execution of the Guaranteed Maximum Price Amendment, the amount payable to the Construction Manager under Section 14.1.3 of A201–2007 shall not exceed the amount the Construction Manager would otherwise have received under Sections 10.1.2 and 10.1.3 above, except that the Construction Manager's Fee shall be calculated as if the Work had been fully completed by the Construction Manager, utilizing as necessary a reasonable estimate of the Cost of the Work for Work not actually completed.

§ 10.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2007. In such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Section 14.3.2 of AIA Document A201–2007, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 5.1 and 5.3.5 of this Agreement.

ARTICLE 11 MISCELLANEOUS PROVISIONS

§ 11.1 Terms in this Agreement shall have the same meaning as those in A201–2007.

§ 11.2 Ownership and Use of Documents

Section 1.5 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 11.3 Governing Law

Section 13.1 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 11.4 Assignment

The Owner and Construction Manager, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Construction Manager shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement. Except as provided in Section 13.2.2 of A201–2007, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 11.5 Other provisions:

« »

ARTICLE 12 SCOPE OF THE AGREEMENT

§ 12.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 12.2 The following documents comprise the Agreement:

- .1 AIA Document A133–2009, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price
- .2 AIA Document A201–2007, General Conditions of the Contract for Construction
- .3 AIA Document E201™–2007, Digital Data Protocol Exhibit, if completed, or the following:

« »

- .4 AIA Document E202™–2008, Building Information Modeling Protocol Exhibit, if completed, or the following:

« »

- .5 Other documents:

(List other documents, if any, forming part of the Agreement.)

«Construction Manager at Risk Agreement Modifications
Contractor Supplementary Conditions A133 Modifications »

This Agreement is entered into as of the day and year first written above.

OWNER (Signature)

« »« »

(Printed name and title)

CONSTRUCTION MANAGER (Signature)

« Mario Carbone, Partner »

(Printed name and title)

Attachment: CMAR Contract_ AUI MASTER (CMAR Contract: AUI)

THE CITY OF CELINA, TEXAS

SUPPLEMENTARY CONDITIONS TO AIA DOCUMENT A133-2009

These Supplementary Conditions are incorporated into the Construction Manager at Risk Agreement between ____AUI Partners, LLC____ (“Contractor”) and the CITY OF CELINA, TEXAS (“CITY” or “Owner”), dated _____, 2018. The following terms and conditions supplement and modify the “Standard Form of Agreement Between Owner and Construction Manager as Constructor,” AIA Document A133-2009. Where a portion of AIA Document A133-2009 is modified or deleted by these Supplementary Conditions, the unaltered portions of AIA Document A133-2009 shall remain in effect.

SUPPLEMENTARY CONDITIONS TO AIA DOCUMENT A133-2009

ARTICLE 1 GENERAL PROVISIONS

§1.1 The Contract Documents

Delete the last sentence of this section.

ARTICLE 2 CONSTRUCTION MANAGER’S RESPONSIBILITIES

§2.1 Preconstruction Phase

§2.1.3 In the first sentence, after the word “shall,” add: “coordinate with the Project schedule already developed by the Architect” and delete the rest of the sentence. Delete the second sentence of this section.

§2.1.8 Extent of Responsibility

Add the following language at the end of this section: “The Construction Manager shall certify to the Owner that the facility, to the best of his knowledge, has been constructed in accordance with the Architect’s construction documents. The certification shall be in a form which is acceptable to the Owner and Construction Manager.”

§2.2 Guaranteed Maximum Price Proposal and Contract Time

§2.2.2 In the last sentence of this section, replace “shall” with “may.”

§2.2.3.5 Add the following language at the end of this subsection: “, but in any event not less than sixty (60) days.”

Add the following new subsection after subsection §2.2.3.5:

“§2.2.3.6 If Owner requests, Construction Manager shall make available for inspection the background documents and information that form the basis of the Construction Manager’s Guaranteed Maximum Price proposal.”

§2.2.4 Delete this section in its entirety.

§2.2.9 Delete this section in its entirety and replace it with the following: “The Guaranteed Maximum Price shall not include in the Cost of the Work any taxes from which the Owner is exempt by virtue of its status as a governmental entity. In the event that the Contractor is required to pay or bear the burden of any new federal, state, or local tax, or if any rate increase of an existing tax (except a tax on net profits), as a result of any statute, court decision, written ruling, or regulation takes effect after the contract date, the Guaranteed Maximum Price shall be increased by the amount of the new tax, or tax increase.”

§2.3 Construction Phase

§2.3.1 General

§2.3.1.2 At the end of the section, replace “earlier” with “later.” Add the following language at the end of the section: “Other than services normally associated with Construction Manager’s performance of the General Conditions, Construction Manager shall not perform any portions of the Work unless it has been awarded such portion in accordance with the same procedures imposed upon all other

Attachment: CMAR Contract_AUI MASTER (CMAR Contract: AUI)

trade contractors or subcontractors, and then, only if the Owner has determined that the Construction Manager's bid or proposal provides the best value for the Owner."

§2.3.2 Administration

§2.3.2.1 Delete this section in its entirety and replace it with the following: "All portions of the Work, other than minor work, site clean-up, etc. ("General Conditions"), shall be performed by trade contractors or subcontractors, including the Construction Manager, who have been selected using competitive bids or competitive sealed proposals. With the Owner's approval, the Construction Manager shall publicly advertise and solicit either competitive bids or competitive sealed proposals in accordance with the policies and procedures approved by Owner. On all portions of the Work for which the Construction Manager does not submit a bid or proposal, the Construction Manager and the Owner shall receive and open all trade contractor and subcontractor bids or proposals in a manner that does not disclose the contents of the bid or proposal during the selection process. On any portion of the Work for which the Construction Manager submits a bid or proposal, the Owner shall receive and open the trade contractors', subcontractors' and Construction Manager's bids or proposals, but shall not disclose the contents of the bids or proposals until the selection process therefore is completed. All bids or proposals shall be made public within seven (7) days after the date of final selection."

§2.3.2.2 In the first sentence of this section, delete "and" from between "Work" and "(3)" and insert the following in between "exceptions," and "but": "and (4) offers the best value to the Owner."

Add the following new subsections after §2.3.2.8:

§2.3.2.9 Liquidated Damages for Failure to Complete on Time. The time of completion is the essence of this Agreement. For each day that any work shall remain uncompleted after the time specified in the Contract Documents, or the increased time granted by the Owner, or as agreed upon to be increased by additional Work or materials ordered after this Agreement is signed, the sum One Thousand and No/100 Dollars (\$1,000.00) shall be deducted from the monies due the Construction Manager. The sum of money thus deducted for such delay, failure or non-completion is not to be considered as a penalty, but shall be deemed, taken and treated as reasonable liquidated damages per day that the Construction Manager shall be in default after the time stipulated in the Contract Documents for completing the Work. The said amount is fixed and agreed upon by and between the Owner and Construction Manager because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the Owner in such event would sustain; and said amount is agreed to be the amount of damages which the Owner would sustain and which shall be retained from the monies due, or that may become due, the Construction Manager under this Agreement; and if said monies are insufficient to cover the amount owing, then the Construction Manager or its surety shall pay any additional amounts due. In the event that the actual damages incurred by the Owner exceed the amount of liquidated damages, Owner shall be entitled to recover its actual damages. §2.3.2.10 Claims for Additional Time. The Construction Manager shall be entitled to an extension of the contract time for delays or disruptions due to unusually severe weather in excess of that normally experienced at the job site only as determined from climatological data set forth in this subsection. The Construction Manager shall bear the entire economic risk of all weather delays and disruptions, and shall not be entitled to any increase in the Guaranteed Maximum Price by reason of such delays or disruptions. Rainy days shall not be considered an abnormal or adverse weather condition for which an extension of time will be granted unless and except in those months during which the actual cumulative number of rainy days within the month exceed the historical average cumulative number of rainy days for said month, provided that the rainfall prevented the execution of major items of work on normal working days. A rain day is defined as a day when rainfall exceeds one-tenth (.1) inch during a twenty-four (24) hour period. The historical average cumulative number of rainy days per calendar month is agreed by the Owner and Construction Manager to be as set forth in the following Rainfall Table:

Rainfall Table

JAN	7 calendar days	APR	7 calendar days	JUL	4 calendar days	OCT	7 calendar days
FEB	6 calendar days	MAY	9 calendar days	AUG	4 calendar days	NOV	6 calendar days

MAR	8 calendar days	JUN	7 calendar days	SEP	6 calendar days	DEC	6 calendar days
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The number of rain days shown in the Rainfall Table for the first and last months of this Agreement will be prorated in determining the total number of rain days expected during the period of this Agreement. Time extensions may also be granted for any day following a period of precipitation during which muddy conditions exist and prevent performance of major items of work conducted on normal working days, which muddy conditions are subject to confirmation by the Owner.

Requests for an extension of time pursuant to this subsection shall be submitted to the Owner and Architect not later than the fifteenth (15th) day of the month following the month during which the delays or disruptions occurred, and shall include documentation demonstrating the nature and duration of the delays or disruptions and the anticipated effect it will have on the Construction Manager's abilities to perform its obligations along with a plan to deal with the effects of such abnormal or adverse weather conditions and proposed amendments to all affected schedules and the Gantt Chart necessarily resulting therefrom. Failure to timely submit a complete notice of claim for delays and extension of time for completion due to abnormal or adverse weather conditions or rainy days pursuant to this subsection shall result in the denial of a request for extra time for performance under the Contract Documents. In the event of such failure, no adjustment shall be made to the Guaranteed Maximum Price, and the Construction Manager shall not be entitled to claim or receive any additional compensation as a result of or arising out of any delay resulting in the adjustment of the working time, due to any of the factors outlined within this subsection.

No payment, compensation, or adjustment of any kind (other than the extensions of time provided for in the Contract Documents) shall be made to the Construction Manager for damages because of hindrances or delays from any cause other than intentional interference of the Owner, whether such hindrances or delays be avoidable or unavoidable, and the Construction Manager agrees that he will make no claim for compensation or damages for any such delays."

Add the following new section after section §2.5:

"§2.6 The Construction Manager shall be responsible for all construction surveys and staking. Dimensions of Work shall not be determined by scale or rule, but figured dimensions shall be followed at all times. The Construction Manager shall compare all drawings and verify all dimensions, and shall take any and all measurements necessary to verify the Drawing dimensions in relation to conditions already established at the Project site before laying out the Work. Any discrepancy will be immediately called to the attention of the Architect and Owner by the Construction Manager. The Construction Manager will be held responsible for subsequent errors which could have been avoided which could have been avoided through the exercise of reasonable diligence."

ARTICLE 3 OWNER'S RESPONSIBILITIES

§3.1 Information and Services Required of the Owner

§3.1.2 Delete this section in its entirety.

§3.1.3 Delete this section in its entirety.

§3.2 Owner's Designated Representative

§3.2.1 Legal Requirements

Delete this section in its entirety.

§3.3 Architect

Substitute "B101-2007" for "B103-2007" in the second line.

Add the following new section after §3.3:

"§3.4 Inspection and Testing

The Owner shall provide or contract for, independently of the Construction Manager, the inspection services, the testing of construction materials engineering and the verification testing services necessary for acceptance of the Work by the Owner."

ARTICLE 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§5.1.2 Add after the word "Work" the following: "shall be by formal Change Order."

§5.1.3 Add after the word "Work" the following: "shall be no more than ten percent (10%) of the subcontractor's cost, for overhead, and shall be no more than ten percent (10%) of the subcontractor's cost, for profit."

§5.2 Guaranteed Maximum Price

§5.2.1 Add the following language at the end of this section: "In case of any "buy out" transaction or agreement by the Construction Manager with a subcontractor for the subcontractor's cost of its portion of the Work, then such savings shall be shared with the Owner in the following percentages: one hundred percent (100%) to Owner. Said savings shall be memorialized by appropriate change order. Documentation regarding such "buy out" transactions/agreements shall be subject to the Owner's audit and inspection rights set forth in §6.11."

§5.3 Changes in the Work

§5.3.5 Delete this section in its entirety and replace with: "In the case of changes in the Work, the fee will be adjusted as provided for in Section 5.1.1, if both parties agree that the scope of services has changed. No change in the Work, whether by way of alteration or addition to the Work, shall be the basis of an addition to the Guaranteed Maximum Price or a change in the Contract Time unless and until such alteration or addition has been authorized by a change order executed and issued in accordance with and in strict compliance with the requirements of the Contract Documents. This requirement is of the essence of the Contract Documents. Accordingly, no course of conduct or dealings between the parties, nor express or implied acceptance of alterations or additions to the Work, and no claim that the Owner has been unjustly enriched by any alteration or addition to the Work, whether or not there is in fact any such unjust enrichment, shall be the basis for any claim to an increase in the Guaranteed Maximum Price or change in the Contract Time."

ARTICLE 6 COST OF THE WORK FOR CONSTRUCTION PHASE

§6.2 Labor Costs

§6.2.4 Delete this section in its entirety, and replace it with the following language: "Costs paid or incurred by the Construction Manager for payroll taxes, insurance, and customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 6.2.1 through 6.2.3, and provided that such costs do not exceed forty-one percent (41%) of such wages and salaries."

§6.2.5 Delete this section in its entirety.

§6.3 Subcontract Costs

Delete from this section the last word "subcontracts" and replace it with "Guaranteed Maximum Price Amendment."

§6.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§6.5.5 Add at the end of this section, after the word "Work," the following language: "subject to the Owner's approval."

§6.6 Miscellaneous Costs

§6.6.2 Delete this section in its entirety.

§6.6.5 Delete this section in its entirety.

§6.6.6 Delete this section in its entirety.

§6.6.7 Delete this section in its entirety.

§6.6.8 Delete this section in its entirety.

§6.6.9 Delete this section in its entirety.

§6.7 Other Costs and Emergencies

§6.7.3 Delete this section in its entirety.

§6.7.4 Delete this section in its entirety.

§6.8 Costs Not To Be Reimbursed

§6.8.1 In the first line of this section, delete the phrase "The Cost of the Work shall not include the items listed below" and replace it with the following: "The Cost of the Work shall exclude items including, but not limited to, those items listed below:"

ARTICLE 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§7.1 Progress Payments

§7.1.5 Add the following at the end of this section: "Construction Manager shall use AIA Document G702 for Application and Certificate for Payments, and shall use AIA Document G703 for necessary continuation sheets related to AIA Document G702, or shall use such documents in a similar format approved by the Owner."

§7.1.7.3 Retainage shall be "five percent (5%)."

§7.1.7.4 Retainage shall be "five percent (5%)."

Add the following new subsection after §7.1.10:

"§7.1.11 In conjunction with any application for payment submitted by the Construction Manager, the Construction Manager shall comply with the release, lien waiver and other documentation requirements set forth in, but not limited to, AIA Document A201-2007, §9.3.3 and §9.10.2."

§7.2 Final Payment

§7.2.3 In the first sentence after word "amount" add the following: "in accordance with the Contract Documents" and delete the remainder of the sentence. Delete the second and third sentences of this section.

ARTICLE 8 INSURANCE AND BONDS

Delete this article in its entirety and replace it with the following: "For all phases of the Project, the Construction Manager shall purchase and maintain insurance and shall provide bonds in accordance with the Contract Documents."

ARTICLE 9 DISPUTE RESOLUTION

Delete this article, including §§ 9.1, 9.2, and 9.3, in their entirety.

ARTICLE 10 TERMINATION OR SUSPENSION

Delete this article, including §§10.1, 10.2, and 10.3, and all subsections thereunder, in their entirety.

ARTICLE 11 MISCELLANEOUS PROVISIONS

§11.3 Governing Law

Delete this section in its entirety.

§11.4 Assignment

Delete this section in its entirety.

ARTICLE 12 SCOPE OF THE AGREEMENT

§12.2 Delete this section in its entirety.

DRAFT AIA® Document A201™ – 2007

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address)

Old Celina Park
« »FM 428 and FM 455
Celina, TX 75009

THE OWNER:

(Name, legal status and address)

City of Celina, Texas
142 N. Ohio
Celina, TX 75009

THE ARCHITECT:

(Name, legal status and address)

Dunkin Sims Stoffels, Inc.
622 W. State Street
Garland, TX 75040

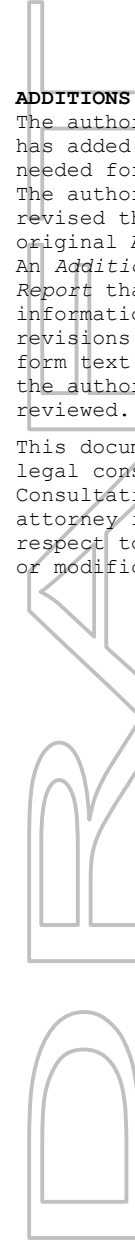
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ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An Additions and Deletions Report that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

In the interest of brevity the Contract Documents frequently omit modifying words such as “all” and “any” and articles such as “the” and “an,” but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 The Architect and the Architect’s consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect’s or Architect’s consultants’ reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect’s consultants.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner’s approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term “Owner” means the Owner or the Owner’s authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic’s lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner’s interest therein.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner’s obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner’s ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any loss or damage arising solely from those Owner-required means, methods, techniques, sequences or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 **Concealed or Unknown Conditions.** If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct,

but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1 Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to the proposed superintendent or (2) that the Architect requires additional time to review. Failure of the Architect to reply within the 14 day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect's approval. The Architect's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

Attachment: CMAR Contract_AUI MASTER (CMAR Contract: AUI)

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled

to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.13 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce

other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the

Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term “Sub-subcontractor” is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a separate contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a separate contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

- 1 The change in the Work;
- 2 The amount of the adjustment, if any, in the Contract Sum; and
- 3 The extent of the adjustment, if any, in the Contract Time.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- 1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- 2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- 3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- 4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

- .1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
- .2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 MINOR CHANGES IN THE WORK

The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control; or by delay authorized by the Owner pending mediation and arbitration; or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.2 SCHEDULE OF VALUES

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor

shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.3.1.5 and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a

bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable,

and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

§ 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- .1 Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
- .2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- .3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- .4 Claims for damages insured by usual personal injury liability coverage;
- .5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- .6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- .7 Claims for bodily injury or property damage arising out of completed operations; and
- .8 Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.3 PROPERTY INSURANCE

§ 11.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project.

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

§ 11.3.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance that will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.3.1.3 If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE

The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.3.3 LOSS OF USE INSURANCE

The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused.

§ 11.3.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final

payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 11.3.7 WAIVERS OF SUBROGATION

The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the Owner as fiduciary shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the arbitrators.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

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§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary

by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 13.7.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency that requires all Work to be stopped;
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 The Owner has failed to furnish to the Contractor promptly, upon the Contractor's request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Initial Decision Maker that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

ARTICLE 15 CLAIMS AND DISPUTES**§ 15.1 CLAIMS****§ 15.1.1 DEFINITION**

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 15.1.2 NOTICE OF CLAIMS

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.6 shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION

§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 CONSOLIDATION OR JOINDER

§ 15.4.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Contractor under this Agreement.

Attachment: CMAR Contract_AUI MASTER (CMAR Contract: AUI)



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: CMAR Contract: H&W

Action Requested:

Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and Hill & Wilkinson General Contractors for Construction Manager at Risk services for the renovation of the City buildings located at 142 N. Ohio, 302 W. Walnut and 112 N. Colorado. (DeBuff/Browner)

Background Information:

This agreement engages Hill & Wilkinson General Contractors for the renovation of the City Hall, Annex and Economic Development Corporation buildings. Estimated completion date on construction is December of 2019.

Hill & Wilkinson General Contractors was chosen from a highly competitive RFQ-based selection process. Staff is recommending Hill & Wilkinson as the construction firm for the City Hall/Annex/EDC renovation, and asks Council accept the attached contract.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

Finalized price will be brought to City Council; per attached agreement and based on 4% of guaranteed maximum price.

Legal Review:

This agreement has been reviewed by the City Attorney and Engineering staff.

Supporting Documents:

- Construction Manager at Risk agreement, & supplemental conditions.

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS

CONSTRUCTION MANAGER AT RISK AGREEMENT

For the consideration hereinafter set forth, HILL & WILKINSON CONSTRUCTION GROUP, LTD. DBA HILL & WILKINSON GENERAL CONTRACTORS (“Contractor” or “Construction Manager”), a Texas corporation with an office in Richardson, Texas, agrees to provide construction services to the CITY OF CELINA, TEXAS (“CITY” or “Owner”), for the project(s) and work identified in this Construction Manager at Risk Agreement (“Agreement”). This Agreement is effective as of August 7, 2018, and unless earlier terminated pursuant to the provisions hereof, shall continue through the completion of performance of the Work specified hereunder.

WHEREAS, Owner desires to obtain professional construction and construction manager services from Contractor for the City Buildings Renovations project (“Project”); and

WHEREAS, Contractor is a construction firm selected to provide such services, based upon Contractor’s municipal experience, references and qualifications, and is willing to undertake the performance of such services for Owner in exchange for payment and fees as hereinafter specified.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Contract Documents, and subject to the terms and conditions hereinafter stated, Owner and Contractor do mutually agree as follows:

ARTICLE 1. CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE

The term “Contract Documents” shall include and consist of the following documents:

1. This Agreement;
2. Standard Form of Agreement Between Owner and Construction Manager as Constructor, AIA Document A133-2009, and Exhibit A, the Guaranteed Maximum Price Amendment attached thereto;
3. The General Conditions of the Contract for Construction, AIA Document A201-2007, dated August 7, 2018. Whenever the term “AIA Document A201-2007, General Conditions of the Contract for Construction” or similar reference is used in the Contract Documents, including but not limited to the Standard Form of Agreement Between Owner and Construction Manager as Constructor, AIA Document A133-2009, and Exhibit A, the Guaranteed Maximum Price Amendment attached to A133-2009, then such reference shall mean the AIA Document A201-2007 referenced in this section.
4. Supplementary Conditions to AIA Document A133-2009;

5. Any Addenda adopted and agreed to by Owner and Contractor applicable to the Project;
6. The Specifications contained in the Project Manual adopted and agreed to by Owner and Contractor applicable to the Project;
7. The Drawings adopted and agreed to by Owner and Contractor applicable to the Project;
8. Other documents that form part of the Contract Documents:
 - a. Contractor's Qualification Statement;
 - b. Advertisement for Bids;
 - c. Instruction to Bidders;
 - d. Bid form;
 - e. Certified Sealed Proposal submitted by Contractor; and
9. Other amendments and/or modifications to the above documents as are agreed upon by Contractor and Owner.

These Contract Documents are incorporated by reference into this Agreement as if set out herein in their entirety. The Contract Documents are intended to be complementary; what is called for by one document shall be as binding as if called for by all Contract Documents. It is specifically provided, however, that in the event of any inconsistency in the Contract Documents, the inconsistency shall be resolved by giving precedence to the Contract Documents in the order in which they are listed above. In the case of inconsistency between the documents that is not resolved by the order in which they are listed above, the better quality or greater quantity of Work shall be provided in accordance with the Owner's interpretation. Should Drawings disagree in themselves or with Specifications and are not clarified by addendum, the better quality or greater amount of Work or materials shall be estimated upon and, unless otherwise ordered by Architect in writing, shall be performed and furnished. Figures given on Drawings govern scale measurements, and large-scale details govern small scale drawings.

ARTICLE 2. EMPLOYMENT OF CONTRACTOR

A. Contractor will perform as an independent contractor all services under this Agreement to the prevailing professional standards consistent with the level of care and skill ordinarily exercised by members of the contractor/construction manager profession, both public and private, currently practicing in the North Texas area under similar conditions including, but not limited to, the exercise of reasonable, informed judgments and prompt, timely action. If Contractor is representing that it has special expertise in one or more areas to be utilized in this Agreement, then Contractor agrees to perform those special expertise services to the appropriate local, regional and national professional standards.

B. The Contractor's and Owner's representatives on the Project(s) are listed as follows:

1. Contractor's Representative:
 Matt Shem, Vice President
 2703 Telecom Parkway, Suite 120
 Richardson, TX 75082
 214-299-4327
2. Owner's Representative:
 Kimberly Brawner, P.E.
 142 N. Ohio St
 Celina, TX 75009
 972-382-2682

Neither the Owner's nor the Contractor's representative shall be changed without ten (10) days' written notice to the other party. Additionally, the roles and responsibilities of the following individuals shall not be materially changed during the project duration, provided that their employment with the Contractor continues, and any such proposed change in the following personnel must have prior written approval by the Owner:

Matt Shem, Project Executive providing a minimum of 15% time commitment to the Project(s).

To Be Determined, Project Manager providing a minimum of 50% time commitment to the Project(s).

To Be Determined, Project Superintendent providing a minimum of 100% time commitment to the Project(s).

ARTICLE 3. SCOPE OF SERVICES

Contractor shall perform such services as are necessary to the Project specifically including, but not necessarily limited to, the tasks enumerated more fully in the Contract Documents.

ARTICLE 4. CONTRACTOR'S LIABILITY

A. Acceptance of the Work by Owner shall not constitute nor be deemed a release of the responsibility and liability of Contractor, its employees, associates, agents or subcontractors for the accuracy and competency of their performance of the Work; nor shall such acceptance be deemed an assumption of responsibility by Owner for any defect in the performance of the Work by said Contractor, its employees, associates, agents or subcontractors.

B. If at any time during the term of this Agreement, Contractor shall fail to perform the Work in accordance with the provisions of this Agreement or fail to diligently provide

construction manager at risk construction services in an efficient, timely and careful manner and in strict accordance with the provisions of this Agreement or fail to use an adequate number of quality or quality of personnel to complete the Work or fail to perform any of its obligations under this Agreement, then Owner shall have the right, if Contractor shall not cure any such default after thirty (30) days' written notice thereof, to terminate this Agreement. Any such act by Owner shall not be deemed a waiver of any other right or remedy of Owner. If, after exercising any such remedy due to Contractor's non-performance under this Agreement, the cost to Owner to complete the Work to be performed under this Agreement is in excess of that part of the Agreement sum which has not theretofore been paid to Contractor hereunder, Contractor shall be liable for and shall reimburse Owner for such excess.

C. Owner may deduct from any amounts due or to become due to Contractor any sum or sums owing by Contractor to Owner. In the event of any breach by Contractor of any provision of this Agreement or in the event of any claim against Owner arising out of Contractor's performance under this Agreement, Owner shall have the right to retain out of any payment due or to become due to Contractor an amount determined by Owner to be sufficient to protect Owner from any and all loss, damage or expense therefrom, until the breach or claim has been satisfactorily remedied or adjusted by Contractor. Owner may use these funds to pay replacement or substitute contractors to complete unfinished or defective Work. Owner may withhold payment of some or all of any progress or final payment that would otherwise be due if the Owner determines, in its discretion, that it is necessary and proper to provide an additional source of funds to pay claims for which the Owner is entitled to indemnification from Contractor under this Agreement. Amounts withheld under this Article shall be in addition to any retainage.

D. If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten (10) day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case, an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services, if any, made necessary by such default, neglect or failure. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 5. CONFIDENTIAL INFORMATION

Contractor hereby acknowledges and agrees that its representatives may have access to or otherwise receive information during the furtherance of its obligations in accordance with this Agreement, which is of a confidential, non-public or proprietary nature. Contractor shall treat any such information received in full confidence and will not disclose or appropriate such confidential information for its own use or the use of any third party at any time during or subsequent to this Agreement. As used herein, "confidential information" means all oral and written information concerning Owner, its affiliates and subsidiaries, and all oral and written information concerning Owner, or its activities, that is of a non-public, proprietary or confidential nature including, without limitation, information pertaining to customer lists, services, methods, processes and operating procedures, together with all analyses, compilation, studies, or other documents, whether prepared by Contractor or others, which contain or

otherwise reflect such information. The term “confidential information” shall not include such materials that are or become generally available to the public other than as a result of disclosure by Contractor, or are required to be disclosed by a governmental authority under applicable law.

ARTICLE 6. INDEMNITY

NOTWITHSTANDING ANY OTHER PROVISION IN THE CONTRACT DOCUMENTS TO THE CONTRARY:

A. CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS OWNER, ITS CITY COUNCIL, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, WHICH IN ANY WAY ARISE OUT OF, RELATE TO, OR RESULT FROM THE PERFORMANCE OF THE WORK OR WHICH ARE CAUSED BY THE INTENTIONAL ACTS OR NEGLIGENT ACTS OR OMISSIONS OF CONTRACTOR OR ITS SUBCONTRACTORS, AND ANY OTHER THIRD PARTIES FOR WHOM OR WHICH CONTRACTOR IS LEGALLY RESPONSIBLE (THE “INDEMNIFIED ITEMS”). BY WAY OF EXAMPLE, THE INDEMNIFIED ITEMS MAY INCLUDE PERSONAL INJURY AND DEATH CLAIMS AND PROPERTY DAMAGE CLAIMS, INCLUDING THOSE FOR LOSS OF USE OF PROPERTY. INDEMNIFIED ITEMS SHALL INCLUDE ATTORNEY’S FEES AND COSTS OF COURT, COURT COSTS, AND SETTLEMENT COSTS. INDEMNIFIED ITEMS SHALL ALSO INCLUDE ANY EXPENSES, INCLUDING ATTORNEY’S FEES AND EXPENSES, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY.

B. IN ITS SOLE DISCRETION, THE CITY SHALL HAVE THE RIGHT TO APPROVE COUNSEL TO BE RETAINED BY CONTRACTOR IN FULFILLING ITS OBLIGATION TO DEFEND AND INDEMNIFY THE CITY. CONTRACTOR SHALL RETAIN APPROVED COUNSEL FOR THE CITY WITHIN SEVEN (7) BUSINESS DAYS AFTER RECEIVING WRITTEN NOTICE FROM THE CITY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF CONTRACTOR DOES NOT RETAIN COUNSEL FOR THE CITY WITHIN THE REQUIRED TIME, THEN THE CITY SHALL HAVE THE RIGHT TO RETAIN COUNSEL AND THE CONTRACTOR SHALL PAY THESE ATTORNEY’S FEES AND EXPENSES. THE CITY RETAINS THE RIGHT TO PROVIDE AND PAY FOR ANY AND ALL COSTS OF DEFENDING INDEMNIFIED ITEMS, BUT IT SHALL NOT BE REQUIRED TO DO SO.

C. THE OBLIGATIONS SET FORTH IN THIS ARTICLE SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

D. Contractor shall cause all contracts for subcontracted services to include a like indemnity that shall cover both the Owner and Contractor. Nothing herein shall limit the insurance requirements or applicability of same set forth in this Agreement and the Contract Documents.

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)

E. The above indemnity is a business understanding between the parties and applies to all different theories of recovery, including breach of contract or warranty, tort including negligence, statutory liability or any other cause of action.

ARTICLE 7. TERMINATION OR SUSPENSION

A. If the Owner fails to make payments to the Contractor in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Contractor's option, cause for suspension of performance of Work under this Agreement. If the Contractor elects to suspend performance of the Work, the Contractor shall give ten (10) days' written notice to the Owner before suspending performance of the Work. In the event of a suspension of performance of the Work, the Contractor shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of performance of the Work. Before resuming Work, the Contractor shall be paid all sums due prior to suspension and any reasonable expenses incurred in the interruption and resumption of the Contractor's Work.

B. If the Owner suspends the Project, the Contractor shall be compensated for Work performed satisfactorily prior to notice of such suspension. When the Project is resumed, the Contractor may be compensated for expenses incurred in the interruption and resumption of the Contractor's performance of the Work. The Contractor's fee for the remaining Work and the time schedules may be equitably adjusted. If the Owner suspends the Project for more than ninety (90) cumulative days for reasons other than the fault of the Contractor, the Contractor may terminate this Agreement by giving not less than thirty (30) days' written notice.

C. Either party may terminate this Agreement upon not less than thirty (30) days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

D. The Owner may terminate this Agreement upon not less than thirty (30) days' written notice to the Contractor for the Owner's convenience and without cause. In the event of termination not the fault of the Contractor, the Contractor shall be compensated for services performed prior to termination.

E. Notwithstanding any other provision in the Contract Documents to the contrary, it is agreed by the parties that: (1) if an order for relief is entered on behalf of Contractor pursuant to Title 11 of the United States Code, (2) if any other similar order is entered under any other debtor relief laws, (3) if Contractor makes a general assignment for the benefit of its creditors, (4) if a receiver is appointed for the benefit of Contractor's creditors, or (5) if a receiver is appointed on account of Contractor's insolvency, any such event could impair or frustrate Contractor's performance of the Contract Documents. Accordingly, it is agreed that upon occurrence of any of the above-listed events, Owner shall be entitled to request of Contractor or its successor in interest adequate assurance of future performance in accordance with the terms and conditions of the Contract Documents. Failure to comply with such request within ten (10) days of delivery of the request shall entitle Owner to terminate this Agreement. In all events pending receipt of adequate assurance of performance and actual performance in accordance therewith, Owner shall be entitled to proceed with the Work with its own forces or with other

contractors on a time and material or other appropriate basis, the cost of which will be back-charged against the Guaranteed Maximum Price.

F. If Project is not completed to Owner's satisfaction after the 400th day from the execution of this document, Owner may elect to terminate this agreement.

ARTICLE 8. CLAIMS AND DISPUTES

A. The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other party arising out of or related to this Agreement in accordance with the requirements of the method of binding dispute resolution set forth in this Agreement within the period specified by applicable law. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Article. To the extent damages are covered by property insurance, the Owner and Contractor waive all rights against each other and against the contractors, employees, agents, and subcontractors of the other party for damages, except such rights as they may have to the proceeds of such insurance as set forth in the Contract Documents. The Owner or the Contractor, as appropriate, shall require of the contractors, employees, agents, and subcontractors of any of them similar waivers in favor of the other parties enumerated herein.

B. Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. The Owner and Contractor shall endeavor to resolve claims, disputes and other matters in question between them first, informally and, second, by mediation. A request for mediation shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. The parties shall have fifteen (15) days after receipt of a request for mediation to agree on a mediator. If the parties are unable to agree on a mediator within fifteen (15) days, each party shall have an additional five (5) days to designate a mediator. The two mediators so designated shall then designate a third unbiased mediator who shall be the mediator to conduct the mediation. The decision of the mediator shall be nonbinding. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon by the parties. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

C. If the parties do not resolve a claim, dispute or other matter in question through mediation pursuant to this Article, the method of binding dispute resolution shall be litigation in a court of competent jurisdiction.

ARTICLE 9. INSURANCE AND BONDS

A. The Contractor shall, at its own expense, procure, pay for and maintain during the term of this Agreement the following insurance written by companies approved by the State of Texas and acceptable to Owner. The Contractor shall furnish to the Owner certificates of

insurance executed by the insurer or its authorized agent stating coverages, limits, and expiration dates in compliance with all applicable required provisions:

1. General Liability: Commercial General Liability insurance, including, but not limited to Premises/Operations (including X, C and U coverage as applicable), Personal & Advertising Injury (with Employment Exclusion deleted), Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$2,000,000.00 per occurrence, \$4,000,000.00 Products/Completed Operations Aggregate, and \$4,000,000.00 General Aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.

2. Automobile Liability: Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,000,000.00 per occurrence.

3. Workers' Compensation: Workers' Compensation insurance with statutory limits; and Employer's Liability coverage with minimum limits for bodily injury: (a) by accident, \$1,000,000.00 each accident, and (b) by disease, \$1,000,000.00 per employee, with a per policy aggregate of \$1,000,000.00.

4. Professional Liability: Professional Liability insurance to provide coverage against any claim which the Contractor and all subcontractor engaged by the Contractor become legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$4,000,000.00 per claim, \$4,000,000.00 annual aggregate.

Contractor shall not commence work at the project site(s) under this Agreement until all required insurance has been obtained and appropriate certificates have been submitted to Owner. If Owner is damaged by the failure of Contractor to maintain such insurance as required by the Contract Documents, then Contractor shall bear all reasonable costs properly attributed to such failure.

B. If the insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than thirty-six (36) months following completion of this Agreement and acceptance by Owner.

C. With reference to the foregoing required insurance, the Contractor shall endorse applicable insurance policies as follows: (1) a waiver of subrogation in favor of Owner, its officials, employees and officers shall be contained in the Workers' Compensation insurance policy; (2) the Owner, its officials, employees and officers shall be named as additional insureds on the Commercial General Liability policy, by using endorsement CG2026 or broader; and (3) all insurance policies shall be endorsed to the effect that Owner will receive at least thirty (30) days notice prior to cancellation, non-renewal, termination, or a material change of the policies. All insurance shall be purchased from an insurance company that meets a financial rating of B+IV or better as assigned by A. M. Best Company or equivalent.

D. Pursuant to Texas Administrative Code, Title 28, Section 110.110(c), the following language is hereby included in this Agreement:

REQUIRED WORKERS' COMPENSATION COVERAGE

The law requires that each person working on this site or providing services related to this construction project must be covered by workers' compensation insurance. This includes persons providing, hauling, or delivering equipment or materials, or providing labor or transportation or other service related to the project, regardless of the identity of their employer or status as an employee.

Call the Texas Workers' Compensation Commission at 512-440-3789 to receive information on the legal requirement for coverage, to verify whether your employer has provided the required coverage, or to report an employer's failure to provide coverage.

The Contractor agrees to comply with all applicable provisions of Texas Administrative Code, Title 28, Section 110.110, entitled "Reporting Requirements for Building or Construction Projects for Governmental Entities." Under Section 110.110: (1) certain language must be included in this Agreement and in the Contractor's contracts with subcontractors and others relating to the Work, (2) the Contractor is required to submit to the City certificates of coverage for its employees and for all others providing services relating to the Work until all project Work is completed, and (3) the Contractor is required to post certain notices at job sites.

E. The Contractor shall procure and pay for performance and payment bonds applicable to the Work, in accordance with Texas Government Code, Chapter 2253. The performance and payment bonds shall be issued in forms acceptable to Owner. Among other things, these bonds shall apply to any Work performed during Contractor's performance under this Agreement, and to any Work performed during the warranty period after acceptance. The performance and payment bonds shall be issued by a corporate surety that is authorized to issue performance and payment bonds in Texas. Further, the Contractor shall supply to the Owner all capital and surplus information concerning the surety and all reinsurance information concerning the performance and payment bonds upon Owner request.

ARTICLE 10. MISCELLANEOUS

§10.1 Choice of Law

This Agreement shall be governed by the law of the State of Texas, and venue for any dispute shall be in any court of competent jurisdiction in Collin County, Texas.

§10.2 Severability

If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceable provisions shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein; and it is the intention of the parties that in lieu of each provision that is found to be illegal, invalid, or unenforceable, the parties seek to reasonably negotiate a new provision to this Agreement which is legal, valid, and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

§10.3 Notice

Except as otherwise provided in this Agreement or the Contract Documents, all notices and other communications required or permitted to be given under this Agreement, shall be in writing, addressed to the parties at their respective addresses as provided below, and may be delivered in person, sent by overnight express mail or courier service, or by certified mail, postage prepaid, return receipt requested. The addresses of each party are as follows:

If to the Owner: City of Celina
City Manager
142 N. Ohio Street
Celina, Texas 75009

If to Contractor: Hill & Wilkinson General Contractors
Matt Shem, Vice President
2703 Telecom Parkway, Suite 120
Richardson, Texas 75082

Each party may from time to time change its address for receipt of notices by sending notice thereof in the manner provided herein to the other party. Each notice given by certified mail shall be deemed delivered on the date of delivery as shown on the return receipt, or if delivery is attempted, at the last address specified and the notice is returned, notice shall be deemed delivered on the date the notice was originally sent. Each notice delivered in any other manner shall be deemed delivered as of the time of actual receipt thereof. The parties acknowledge and agree to provide to the other party within seventy-two (72) hours of transmission such notice documents bearing the original signatures.

§10.4 Unsatisfactory Work

Nothing contained in this Agreement shall require Owner to pay for any work that is unsatisfactory as determined by Owner or which is not submitted in compliance with the terms of this Agreement, nor shall such failure to withhold payment pursuant to the provisions of this Section constitute a waiver of any right, at law or in equity, which Owner may have if Contractor is in default, including the right to bring legal action for damages or for a specific performance of this Agreement.

§10.5 Retainage

As is set forth in the Contract Documents, retainage shall be withheld and may be paid to: (a) ensure proper completion of the Work, and the Owner may use retained funds to pay replacement or substitute contractors to complete unfinished or defective Work; (b) ensure timely completion of the Work, and the Owner may use retained funds to pay liquidated damages; and (c) provide an additional source of funds to pay claims for which the Owner is entitled to indemnification from Contractor under the Contract Documents. Retained funds shall be held by the Owner in accounts that shall not bear interest. Retainage not otherwise withheld in accordance with the Contract Documents shall be returned to the Contractor as part of the final payment.

§10.6 No Respondent Superior

Contractor will have exclusive control of and the exclusive right to control the details of the Work performed hereunder, and shall be liable for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, and the doctrine of *respondeat superior* shall not apply as between Owner and Contractor, its officers, agents, employees, contractors, and subcontractors, and nothing herein shall be construed as creating a partnership or joint enterprise between Owner and Contractor.

§10.7 Conflict of Interest

Contractor covenants and agrees that Contractor and its associates and employees will have no interest, and will acquire no interest, either direct or indirect, which will conflict in any manner with the performance of the services called for under this Agreement. All activities, investigations and other efforts made by Contractor pursuant to this Agreement will be conducted by employees, associates or subcontractors of Contractor.

§10.8 Non-Waiver

The failure of either party to insist upon or enforce strict performance by the other party of any provision of this Agreement, or to exercise any right under this Agreement, shall not be construed as a waiver or relinquishment to any extent of any such party's right to assert or rely upon any such provision or right in that or any other instance, rather, the same shall be and remain in full force and effect.

§10.9 Assignment

The Owner and Contractor, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Contractor shall assign this Agreement without the prior written consent of the other party.

§10.10 No Third-Party Beneficiary Created

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Contractor.

§10.11 Signatures

The undersigned officers and/or agents of the parties hereto are the properly authorized persons and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary motions, resolutions or other act extending such authority have been duly passed and are now in full force and effect.

[signatures continued on next page]

IN WITNESS WHEREOF, the parties execute below:

CITY OF CELINA, TEXAS

HILL & WILKINSON CONSTRUCTION
GROUP, LTD. DBA HILL & WILKINSON
GENERAL CONTRACTORS



Jason Laumer, City Manager

Mike Oswald, COO

Date: _____

Date: 8/7/2018

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)

AIA® Document A133™ – 2009

Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the 7th day of August in the year 2018
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status and address)

City of Celina, Texas
142 N Ohio
Celina, Texas 75009

and the Construction Manager:
(Name, legal status and address)

Hill & Wilkinson Construction Group, Ltd. dba Hill & Wilkinson General Contractors
2703 Telecom Parkway, Suite 120
Richardson, Texas 75082

for the following Project:
(Name and address or location)

City Buildings Renovations

The Architect:
(Name, legal status and address)

VAI Architects Incorporated
16000 North Dallas Parkway, Suite 200
Dallas, Texas 75248

The Owner's Designated Representative:
(Name, address and other information)

Kimberly Brawner, P.E.
City of Celina, Texas
142 N. Ohio Street
Celina, Texas 75009
(972) 382-2682

The Construction Manager's Designated Representative:
(Name, address and other information)

Matt Shem, Vice President

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)

Init.

Hill & Wilkinson General Contractors
 2703 Telecom Parkway, Suite 120
 Richardson, Texas 75082
 (214) 299-4327

The Architect's Designated Representative:
(Name, address and other information)

Mark Mortimer, RA, LEED AP / Senior Associate
 VAI Architect Incorporated
 16000 North Dallas Parkway, Suite 200
 Dallas, Texas 75248
 (972) 934-8888

The Owner and Construction Manager agree as follows.

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)

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TABLE OF ARTICLES

1	GENERAL PROVISIONS
2	CONSTRUCTION MANAGER'S RESPONSIBILITIES
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EXHIBIT A GUARANTEED MAXIMUM PRICE AMENDMENT

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 2.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 2.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern.

§ 1.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner; to furnish efficient construction administration, management services and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

§ 1.3 General Conditions

For the Preconstruction Phase, AIA Document A201™-2007, General Conditions of the Contract for Construction, shall apply only as specifically provided in this Agreement. For the Construction Phase, the general conditions of the contract shall be as set forth in A201-2007, which document is incorporated herein by reference. The term "Contractor" as used in A201-2007 shall mean the Construction Manager.

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ARTICLE 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 2.1 and 2.2. The Construction Manager's Construction Phase responsibilities are set forth in Section 2.3. The Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ 2.1 Preconstruction Phase

§ 2.1.1 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

§ 2.1.2 Consultation

The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work. The Construction Manager shall advise the Owner and the Architect on proposed site use and improvements, selection of materials, and building systems and equipment. The Construction Manager shall also provide recommendations consistent with the Project requirements to the Owner and Architect on constructability; availability of materials and labor; time requirements for procurement, installation and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.

§ 2.1.3 When Project requirements in Section 3.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities and identify items that could affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered well in advance of construction; and the occupancy requirements of the Owner.

§ 2.1.4 Phased Construction

The Construction Manager shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, or phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities and procurement and construction scheduling issues.

§ 2.1.5 Preliminary Cost Estimates

§ 2.1.5.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume or similar conceptual estimating techniques for the Architect's review and Owner's approval. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 2.1.5.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, estimates of the Cost of the Work of increasing detail and refinement and allowing for the further development of the design until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. Such estimates shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect when estimates of the Cost of the Work exceed the latest approved Project budget and make recommendations for corrective action.

§ 2.1.6 Subcontractors and Suppliers

The Construction Manager shall develop bidders' interest in the Project.

§ 2.1.7 The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered well in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered well in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the

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items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 2.1.8 Extent of Responsibility

The Construction Manager shall exercise reasonable care in preparing schedules and estimates. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 2.1.9 Notices and Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi governmental authorities for inclusion in the Contract Documents.

§ 2.2 Guaranteed Maximum Price Proposal and Contract Time

§ 2.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager and in consultation with the Architect, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's review and acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, including contingencies described in Section 2.2.4, and the Construction Manager's Fee.

§ 2.2.2 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Construction Manager shall provide in the Guaranteed Maximum Price for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

§ 2.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- .1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- .2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 2.2.2, to supplement the information provided by the Owner and contained in the Drawings and Specifications;
- .3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, allowances, contingency, and the Construction Manager's Fee;
- .4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and
- .5 A date by which the Owner must accept the Guaranteed Maximum Price.

§ 2.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include its contingency for the Construction Manager's exclusive use to cover those costs considered reimbursable as the Cost of the Work but not included in a Change Order.

§ 2.2.5 The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner and Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 2.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following

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acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

§ 2.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the commencement of the Construction Phase, unless the Owner provides prior written authorization for such costs.

§ 2.2.8 The Owner shall authorize the Architect to provide the revisions to the Drawings and Specifications to incorporate the agreed upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish those revised Drawings and Specifications to the Construction Manager as they are revised. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the Guaranteed Maximum Price Amendment and the revised Drawings and Specifications.

§ 2.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 2.3 Construction Phase

§ 2.3.1 General

§ 2.3.1.1 For purposes of Section 8.1.2 of A201–2007, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 2.3.1.2 The Construction Phase shall commence upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal or the Owner's issuance of a Notice to Proceed, whichever occurs earlier.

§ 2.3.2 Administration

§ 2.3.2.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or by other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Architect. The Owner shall then determine, with the advice of the Construction Manager and the Architect, which bids will be accepted. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

§ 2.3.2.2 If the Guaranteed Maximum Price has been established and when a specific bidder (1) is recommended to the Owner by the Construction Manager, (2) is qualified to perform that portion of the Work, and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Contract Time and the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount and time requirement of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 2.3.2.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If the Subcontract is awarded on a cost plus fee basis, the Construction Manager shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Section 6.11 below.

§ 2.3.2.4 If the Construction Manager recommends a specific bidder that may be considered a "related party" according to Section 6.10, then the Construction Manager shall promptly notify the Owner in writing of such relationship and notify the Owner of the specific nature of the contemplated transaction, according to Section 6.10.2.

§ 2.3.2.5 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes to the Owner and Architect.

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§ 2.3.2.6 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and submittal schedule in accordance with Section 3.10 of A201–2007.

§ 2.3.2.7 The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner. The Construction Manager shall also keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 2.3.2.8 The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 2.3.2.7 above.

§ 2.4 Professional Services

Section 3.12.10 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 2.5 Hazardous Materials

Section 10.3 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

ARTICLE 3 OWNER'S RESPONSIBILITIES

§ 3.1 Information and Services Required of the Owner

§ 3.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.

§ 3.1.2 Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Construction Manager may only request such evidence if (1) the Owner fails to make payments to the Construction Manager as the Contract Documents require, (2) a change in the Work materially changes the Contract Sum, or (3) the Construction Manager identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Construction Manager and Architect.

§ 3.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1.1, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 3.1.4 **Structural and Environmental Tests, Surveys and Reports.** During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 3.1.4.1 The Owner shall furnish tests, inspections and reports required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

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§ 3.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 3.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 3.1.4.4 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 3.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201-2007, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 3.2.1 Legal Requirements. The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 3.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B133™-2014, Standard Form of Agreement Between Owner and Architect, Construction Manager as Constructor Edition. The Owner shall provide the Construction Manager a copy of the executed agreement between the Owner and the Architect, and any further modifications to the agreement.

ARTICLE 4 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

§ 4.1 Compensation

§ 4.1.1 For the Construction Manager's Preconstruction Phase services, the Owner shall compensate the Construction Manager as follows:

§ 4.1.2 For the Construction Manager's Preconstruction Phase services described in Sections 2.1 and 2.2:
(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

PreCon Fee: \$9,000.00 (6 months at \$1,500.00)

§ 4.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within Six (6) months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 4.1.4 Compensation based on Direct Personnel Expense includes the direct salaries of the Construction Manager's personnel providing Preconstruction Phase services on the Project and the Construction Manager's costs for the mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, employee retirement plans and similar contributions.

§ 4.2 Payments

§ 4.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

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§ 4.2.2 Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid Thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.
(Insert rate of monthly or annual interest agreed upon.)

Legally prevailing rate.

ARTICLE 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 5.1 For the Construction Manager's performance of the Work as described in Section 2.3, the Owner shall pay the Construction Manager the Contract Sum in current funds. The Contract Sum is the Cost of the Work as defined in Section 6.1.1 plus the Construction Manager's Fee.

§ 5.1.1 The Construction Manager's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

The Construction Manager's Fee is Four percent (4%) of the Cost of the Work.

§ 5.1.2 The method of adjustment of the Construction Manager's Fee for changes in the Work:

The Construction Manager's Fee is Four percent (4%) of the Cost of the Work attributable to the change.

§ 5.1.3 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

Subcontractor markup for changes may not exceed Fifteen percent (10%) of allowable costs of the change.

§ 5.1.4 Rental rates for Construction Manager-owned equipment shall not exceed One Hundred percent percent (100 %) of the standard rate paid at the place of the Project.

§ 5.1.5 Unit prices, if any:

(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$0.00)
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§ 5.2 Guaranteed Maximum Price

§ 5.2.1 The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, as it is amended from time to time. To the extent the Cost of the Work exceeds the Guaranteed Maximum Price, the Construction Manager shall bear such costs in excess of the Guaranteed Maximum Price without reimbursement or additional compensation from the Owner.

(Insert specific provisions if the Construction Manager is to participate in any savings.)

If the final Cost of the Work plus the Contractor's Fee is less than the Guaranteed Maximum Price, as adjusted per the Contract Documents, the difference shall be considered "Savings" and shall be shared by the Owner and Contractor as follows: One Hundred percent (100%) of the Savings shall be retained by the Owner, and Zero percent (0%) of the Savings shall be paid to the Contractor in addition to the Contract Sum. The Contractor's share of Savings shall be paid at the time of final payment. The Owner and Contractor will reconcile and adjust the final Contract Sum and Guaranteed Maximum Price by Change Order at the time of final payment.

§ 5.2.2 The Guaranteed Maximum Price is subject to additions and deductions by Change Order as provided in the Contract Documents and the Date of Substantial Completion shall be subject to adjustment as provided in the Contract Documents.

§ 5.3 Changes in the Work

§ 5.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Architect may make minor changes in the Work as provided in Section 7.4 of AIA Document A201-2007, General

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Conditions of the Contract for Construction. The Construction Manager shall be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 5.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Section 7.3.3 of AIA Document A201–2007, General Conditions of the Contract for Construction.

§ 5.3.3 In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of AIA Document A201–2007 and the term "costs" as used in Section 7.3.7 of AIA Document A201–2007 shall have the meanings assigned to them in AIA Document A201–2007 and shall not be modified by Sections 5.1 and 5.2, Sections 6.1 through 6.7, and Section 6.8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 5.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of AIA Document A201–2007 shall mean the Cost of the Work as defined in Sections 6.1 to 6.7 of this Agreement and the term "fee" shall mean the Construction Manager's Fee as defined in Section 5.1 of this Agreement.

§ 5.3.5 If no specific provision is made in Section 5.1.2 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 5.1.2 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 6 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 6.1 Costs to Be Reimbursed

§ 6.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in Sections 6.1 through 6.7.

§ 6.1.2 Where any cost is subject to the Owner's prior approval, the Construction Manager shall obtain this approval prior to incurring the cost. The parties shall endeavor to identify any such costs prior to executing Guaranteed Maximum Price Amendment.

§ 6.2 Labor Costs

§ 6.2.1 Wages of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 6.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site with the Owner's prior approval.

(If it is intended that the wages or salaries of certain personnel stationed at the Construction Manager's principal or other offices shall be included in the Cost of the Work, identify in Section 11.5, the personnel to be included, whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

§ 6.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 6.2.4 Costs paid or incurred by the Construction Manager for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 6.2.1 through 6.2.3.

§ 6.2.5 Bonuses, profit sharing, incentive compensation and any other discretionary payments paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, with the Owner's prior approval.

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§ 6.3 Subcontract Costs

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts.

§ 6.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 6.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ 6.4.2 Costs of materials described in the preceding Section 6.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 6.5.1 Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

§ 6.5.2 Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Construction Manager-owned item may not exceed the purchase price of any comparable item. Rates of Construction Manager-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

§ 6.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 6.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

§ 6.5.5 That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

§ 6.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

§ 6.6 Miscellaneous Costs

§ 6.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract. Self-insurance for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

§ 6.6.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Construction Manager is liable.

§ 6.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Construction Manager is required by the Contract Documents to pay.

§ 6.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201-2007 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 6.7.3.

§ 6.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against the Construction Manager

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resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Construction Manager's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the last sentence of Section 3.17 of AIA Document A201-2007 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

§ 6.6.6 Costs for electronic equipment and software, directly related to the Work with the Owner's prior approval.

§ 6.6.7 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 6.6.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.

§ 6.6.9 Subject to the Owner's prior approval, expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work.

§ 6.7 Other Costs and Emergencies

§ 6.7.1 Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.

§ 6.7.2 Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.4 of AIA Document A201-2007.

§ 6.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Construction Manager and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 6.7.4 The costs described in Sections 6.1 through 6.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201-2007 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 6.8.

§ 6.8 Costs Not To Be Reimbursed

§ 6.8.1 The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 6.2, or as may be provided in Article 11;
- .2 Expenses of the Construction Manager's principal office and offices other than the site office;
- .3 Overhead and general expenses, except as may be expressly included in Sections 6.1 to 6.7;
- .4 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;
- .5 Except as provided in Section 6.7.3 of this Agreement, costs due to the negligence or failure of the Construction Manager, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to fulfill a specific responsibility of the Contract;
- .6 Any cost not specifically and expressly described in Sections 6.1 to 6.7;
- .7 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and
- .8 Costs for services incurred during the Preconstruction Phase.

§ 6.9 Discounts, Rebates and Refunds

§ 6.9.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make

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payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 6.9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 6.9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.10 Related Party Transactions

§ 6.10.1 For purposes of Section 6.10, the term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Construction Manager; any entity in which any stockholder in, or management employee of, the Construction Manager owns any interest in excess of ten percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Construction Manager. The term "related party" includes any member of the immediate family of any person identified above.

§ 6.10.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods or service from the related party, as a Subcontractor, according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3. If the Owner fails to authorize the transaction, the Construction Manager shall procure the Work, equipment, goods or service from some person or entity other than a related party according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3.

§ 6.11 Accounting Records

The Construction Manager shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, purchase orders, vouchers, memoranda and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 7.1 Progress Payments

§ 7.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Construction Manager as provided below and elsewhere in the Contract Documents.

§ 7.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 7.1.3 Provided that an Application for Payment is received by the Architect not later than the Last day of a month, the Owner shall make payment of the certified amount to the Construction Manager not later than the 25th day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than Thirty (30) days after the Architect receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

§ 7.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, less that portion of those

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payments attributable to the Construction Manager's Fee, plus payrolls for the period covered by the present Application for Payment.

§ 7.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Construction Manager's Fee shall be shown as a single separate item. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 7.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work for which the Construction Manager has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 7.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201-2007;
- .2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 Add the Construction Manager's Fee, less retainage of Five percent (5 %). The Construction Manager's Fee shall be computed upon the Cost of the Work at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .4 Subtract retainage of Five percent (5 %) from that portion of the Work that the Construction Manager self-performs;
- .5 Subtract the aggregate of previous payments made by the Owner;
- .6 Subtract the shortfall, if any, indicated by the Construction Manager in the documentation required by Section 7.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .7 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-2007.

§ 7.1.8 The Owner and Construction Manager shall agree upon (1) a mutually acceptable procedure for review and approval of payments to Subcontractors and (2) the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 7.1.9 Except with the Owner's prior approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 7.1.10 In taking action on the Construction Manager's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Section 7.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections; or that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

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§ 7.2 Final Payment

§ 7.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract except for the Construction Manager's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and
- .3 a final Certificate for Payment has been issued by the Architect.

The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

§ 7.2.2 The Owner's auditors will review and report in writing on the Construction Manager's final accounting within 30 days after delivery of the final accounting to the Architect by the Construction Manager. Based upon such Cost of the Work as the Owner's auditors report to be substantiated by the Construction Manager's final accounting, and provided the other conditions of Section 7.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's auditors, either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Section 9.5.1 of the AIA Document A201-2007. The time periods stated in this Section supersede those stated in Section 9.4.1 of the AIA Document A201-2007. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 7.2.3 If the Owner's auditors report the Cost of the Work as substantiated by the Construction Manager's final accounting to be less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Section 15.2 of A201-2007. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 7.2.4 If, subsequent to final payment and at the Owner's request, the Construction Manager incurs costs described in Section 6.1.1 and not excluded by Section 6.8 to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager such costs and the Construction Manager's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Construction Manager has participated in savings as provided in Section 5.2.1, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Construction Manager.

ARTICLE 8 INSURANCE AND BONDS

For all phases of the Project, the Construction Manager and the Owner shall purchase and maintain insurance, and the Construction Manager shall provide bonds as set forth in Article 11 of AIA Document A201-2007.

(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2007.)

Type of Insurance or Bond

Limit of Liability or Bond Amount (\$0.00)

ARTICLE 9 DISPUTE RESOLUTION

§ 9.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 9 and Article 15 of A201-2007. However, for Claims arising from or relating to the Construction Manager's Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 9.3 of this Agreement shall not apply.

§ 9.2 For any Claim subject to, but not resolved by mediation pursuant to Section 15.3 of AIA Document A201–2007, the method of binding dispute resolution shall be as follows:

(Check the appropriate box. If the Owner and Construction Manager do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)

☒ Arbitration pursuant to Section 15.4 of AIA Document A201–2007

☐ Litigation in a court of competent jurisdiction

☐ Other: *(Specify)*

The prevailing party (whether by affirmative recovery or successful defense) in any arbitration or other legal proceeding arising out of or related to this Agreement shall be entitled to recover its reasonable attorneys' fees, expert fees, and expenses in addition to other relief to which it is entitled. The prevailing party shall be determined based on which party substantially prevailed on the matters in dispute including any claims, counterclaims, offsets and defenses, and not solely on net monetary recovery.

§ 9.3 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Section 15.2 of AIA Document A201–2007 for Claims arising from or relating to the Construction Manager's Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

N/A

ARTICLE 10 TERMINATION OR SUSPENSION

§ 10.1 Termination Prior to Establishment of the Guaranteed Maximum Price

§ 10.1.1 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Section 14.1.1 of A201–2007.

§ 10.1.2 In the event of termination of this Agreement pursuant to Section 10.1.1, the Construction Manager shall be equitably compensated for Preconstruction Phase services performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 4.1.

§ 10.1.3 If the Owner terminates the Contract pursuant to Section 10.1.1 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 10.1.2:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
- .3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager which the Owner elects to retain and which is not otherwise included in the Cost of the Work under Section 10.1.3.1. To the extent that the Owner elects to take legal

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assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 10, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 10.2 Termination Subsequent to Establishing Guaranteed Maximum Price

Following execution of the Guaranteed Maximum Price Amendment and subject to the provisions of Section 10.2.1 and 10.2.2 below, the Contract may be terminated as provided in Article 14 of AIA Document A201–2007.

§ 10.2.1 If the Owner terminates the Contract after execution of the Guaranteed Maximum Price Amendment, the amount payable to the Construction Manager pursuant to Sections 14.2 and 14.4 of A201–2007 shall not exceed the amount the Construction Manager would otherwise have received pursuant to Sections 10.1.2 and 10.1.3 of this Agreement.

§ 10.2.2 If the Construction Manager terminates the Contract after execution of the Guaranteed Maximum Price Amendment, the amount payable to the Construction Manager under Section 14.1.3 of A201–2007 shall not exceed the amount the Construction Manager would otherwise have received under Sections 10.1.2 and 10.1.3 above, except that the Construction Manager's Fee shall be calculated as if the Work had been fully completed by the Construction Manager, utilizing as necessary a reasonable estimate of the Cost of the Work for Work not actually completed.

§ 10.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2007. In such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Section 14.3.2 of AIA Document A201–2007, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 5.1 and 5.3.5 of this Agreement.

ARTICLE 11 MISCELLANEOUS PROVISIONS

§ 11.1 Terms in this Agreement shall have the same meaning as those in A201–2007.

§ 11.2 Ownership and Use of Documents

Section 1.5 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 11.3 Governing Law

Section 13.1 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 11.4 Assignment

The Owner and Construction Manager, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Construction Manager shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement. Except as provided in Section 13.2.2 of A201–2007, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 11.5 Other provisions:

ARTICLE 12 SCOPE OF THE AGREEMENT

§ 12.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 12.2 The following documents comprise the Agreement:

- .1 AIA Document A133–2009, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price
- .2 AIA Document A201–2007, General Conditions of the Contract for Construction
- .3 AIA Document E201™–2007, Digital Data Protocol Exhibit, if completed, or the following:
N/A
- .4 AIA Document E202™–2008, Building Information Modeling Protocol Exhibit, if completed, or the following:
N/A
- .5 Other documents:
(List other documents, if any, forming part of the Agreement.)

This Agreement is entered into as of the day and year first written above.

OWNER (Signature)

City of Celina, Texas
Jason Laumer, City Manager
(Printed name and title)

CONSTRUCTION MANAGER (Signature)

Hill & Wilkinson Construction Group, Ltd.
dba Hill & Wilkinson General Contractors
Mike Oswald, COO
(Printed name and title)

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)

Init.

Additions and Deletions Report for

AIA® Document A133™ – 2009

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 12:11:42 on 08/07/2018.

PAGE 1

AGREEMENT made as of the 7th day of August in the year 2018

...

(Name, legal status and address)

City of Celina, Texas
142 N Ohio
Celina, Texas 75009

...

Hill & Wilkinson Construction Group, Ltd. dba Hill & Wilkinson General Contractors
2703 Telecom Parkway, Suite 120
Richardson, Texas 75082

...

City Buildings Renovations

...

VAI Architects Incorporated
16000 North Dallas Parkway, Suite 200
Dallas, Texas 75248

...

Kimberly Brawner, P.E.
City of Celina, Texas
142 N. Ohio Street
Celina, Texas 75009
(972) 382-2682

...

Matt Shem, Vice President
Hill & Wilkinson General Contractors
2703 Telecom Parkway, Suite 120
Richardson, Texas 75082
(214) 299-4327

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Mark Mortimer, RA, LEED AP / Senior Associate
 VAI Architect Incorporated
 16000 North Dallas Parkway, Suite 200
 Dallas, Texas 75248
 (972) 934-8888

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PreCon Fee: \$9,000.00 (6 months at \$1,500.00)

§ 4.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within Six (6) months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

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§ 4.2.2 Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid Thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.

...

% Legally prevailing rate.

...

The Construction Manager's Fee is Four percent (4%) of the Cost of the Work.

...

The Construction Manager's Fee is Four percent (4%) of the Cost of the Work attributable to the change.

...

Subcontractor markup for changes may not exceed Fifteen percent (10%) of allowable costs of the change.

§ 5.1.4 Rental rates for Construction Manager-owned equipment shall not exceed One Hundred percent percent (100 %) of the standard rate paid at the place of the Project.

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If the final Cost of the Work plus the Contractor's Fee is less than the Guaranteed Maximum Price, as adjusted per the Contract Documents, the difference shall be considered "Savings" and shall be shared by the Owner and Contractor as follows: One Hundred percent (100%) of the Savings shall be retained by the Owner, and Zero percent (0%) of the Savings shall be paid to the Contractor in addition to the Contract Sum. The Contractor's share of Savings shall be paid at the time of final payment. The Owner and Contractor will reconcile and adjust the final Contract Sum and Guaranteed Maximum Price by Change Order at the time of final payment.

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§ 7.1.3 Provided that an Application for Payment is received by the Architect not later than the Last day of a month, the Owner shall make payment of the certified amount to the Construction Manager not later than the 25th day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than Thirty (30) days after the Architect receives the Application for Payment.

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- .3 Add the Construction Manager's Fee, less retainage of Five percent (5 %). The Construction Manager's Fee shall be computed upon the Cost of the Work at the rate stated in Section 5.1 or, if the

Construction Manager's Fee is stated as a fixed sum in that Section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;

- .4 Subtract retainage of Five percent (5 %) from that portion of the Work that the Construction Manager self-performs;

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[X] Arbitration pursuant to Section 15.4 of AIA Document A201-2007

...

The prevailing party (whether by affirmative recovery or successful defense) in any arbitration or other legal proceeding arising out of or related to this Agreement shall be entitled to recover its reasonable attorneys' fees, expert fees, and expenses in addition to other relief to which it is entitled. The prevailing party shall be determined based on which party substantially prevailed on the matters in dispute including any claims, counterclaims, offsets and defenses, and not solely on net monetary recovery.

...

N/A

PAGE 18

N/A

...

N/A

...

City of Celina, Texas
Jason Laumer, City Manager

Hill & Wilkinson Construction Group, Ltd.
dba Hill & Wilkinson General Contractors
Mike Oswald, COO

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, Mike Oswald, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 12:11:42 on 08/07/2018 under Order No. 7022173002 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A133™ – 2009, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.



(Signed)

COO

(Title)

8/7/2018

(Dated)

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)



AIA[®] Document A201[™] – 2007

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address)

City Buildings Renovations

THE OWNER:

(Name, legal status and address)

City of Celina, Texas

142 N Ohio

Celina, Texas 75009

THE ARCHITECT:

(Name, legal status and address)

VAI Architects Incorporated

16000 North Dallas Parkway, Suite 200

Dallas, Texas 75248

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ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the

portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any loss or damage arising solely from those Owner-required means, methods, techniques, sequences or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

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§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 **Concealed or Unknown Conditions.** If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall

continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1 Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to the proposed superintendent or (2) that the Architect requires additional time to review. Failure of the Architect to reply within the 14 day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect's approval. The Architect's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required

submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop

Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.13 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a

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party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed.

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However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a separate contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a separate contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

- .1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
- .2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 MINOR CHANGES IN THE WORK

The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control; or by delay authorized by the Owner pending mediation and arbitration; or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.2 SCHEDULE OF VALUES

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon

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compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the

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Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.3.1.5 and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract

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Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in

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whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

§ 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- .1 Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
- .2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- .3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- .4 Claims for damages insured by usual personal injury liability coverage;
- .5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- .6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- .7 Claims for bodily injury or property damage arising out of completed operations; and
- .8 Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional

insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.3 PROPERTY INSURANCE

§ 11.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project.

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

§ 11.3.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance that will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.3.1.3 If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE

The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.3.3 LOSS OF USE INSURANCE

The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused.

§ 11.3.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 11.3.7 WAIVERS OF SUBROGATION

The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the Owner as fiduciary shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the arbitrators.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

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§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be

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sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 13.7.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency that requires all Work to be stopped;
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 The Owner has failed to furnish to the Contractor promptly, upon the Contractor's request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

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§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Initial Decision Maker that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

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ARTICLE 15 CLAIMS AND DISPUTES**§ 15.1 CLAIMS****§ 15.1.1 DEFINITION**

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 15.1.2 NOTICE OF CLAIMS

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.6 shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION

§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 CONSOLIDATION OR JOINDER

§ 15.4.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Contractor under this Agreement.

Additions and Deletions Report for AIA® Document A201™ – 2007

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 12:12:58 on 08/07/2018.

PAGE 1

City Buildings Renovations

...

(Name, legal status and address)

City of Celina, Texas

142 N Ohio

Celina, Texas 75009

...

VAI Architects Incorporated

16000 North Dallas Parkway, Suite 200

Dallas, Texas 75248

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, Mike Oswald, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 12:12:58 on 08/07/2018 under Order No. 7022173002 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A201™ – 2007, General Conditions of the Contract for Construction, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.



(Signed)

COO

(Title)

8/7/2018

(Dated)

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)

THE CITY OF CELINA, TEXAS

**SUPPLEMENTARY CONDITIONS
TO AIA DOCUMENT A133-2009**

These Supplementary Conditions are incorporated into the Construction Manager at Risk Agreement between HILL & WILKINSON CONSTRUCTION GROUP, LTD. DBA HILL & WILKINSON GENERAL CONTRACTORS (“Contractor”) and the CITY OF CELINA, TEXAS (“CITY” or “Owner”), dated August 7, 2018. The following terms and conditions supplement and modify the “Standard Form of Agreement Between Owner and Construction Manager as Constructor,” AIA Document A133-2009. Where a portion of AIA Document A133-2009 is modified or deleted by these Supplementary Conditions, the unaltered portions of AIA Document A133-2009 shall remain in effect.

SUPPLEMENTARY CONDITIONS TO AIA DOCUMENT A133-2009

ARTICLE 1 GENERAL PROVISIONS

§1.1 The Contract Documents

Delete the last sentence of this section.

ARTICLE 2 CONSTRUCTION MANAGER’S RESPONSIBILITIES

§2.1 Preconstruction Phase

§2.1.3 In the first sentence, after the word “shall,” add: “coordinate with the Project schedule already developed by the Architect” and delete the rest of the sentence. Delete the second sentence of this section.

§2.1.8 Extent of Responsibility

Add the following language at the end of this section: “The Construction Manager shall certify to the Owner that the facility, to the best of his knowledge, has been constructed in accordance with the Architect’s construction documents. The certification shall be in a form which is acceptable to the Owner and Construction Manager.”

§2.2 Guaranteed Maximum Price Proposal and Contract Time

§2.2.2 In the last sentence of this section, replace “shall” with “may.”

§2.2.3.5 Add the following language at the end of this subsection: “, but in any event not less than sixty (60) days.”

Add the following new subsection after subsection §2.2.3.5:

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)

“§2.2.3.6 If Owner requests, Construction Manager shall make available for inspection the background documents and information that form the basis of the Construction Manager’s Guaranteed Maximum Price proposal.”

§2.2.4 Delete this section in its entirety.

§2.2.9 Delete this section in its entirety and replace it with the following: “The Guaranteed Maximum Price shall not include in the Cost of the Work any taxes from which the Owner is exempt by virtue of its status as a governmental entity. In the event that the Contractor is required to pay or bear the burden of any new federal, state, or local tax, or if any rate increase of an existing tax (except a tax on net profits), as a result of any statute, court decision, written ruling, or regulation takes effect after the contract date, the Guaranteed Maximum Price shall be increased by the amount of the new tax, or tax increase.”

§2.3 Construction Phase

§2.3.1 General

§2.3.1.2 At the end of the section, replace “earlier” with “later.” Add the following language at the end of the section: “Other than services normally associated with Construction Manager’s performance of the General Conditions, Construction Manager shall not perform any portions of the Work unless it has been awarded such portion in accordance with the same procedures imposed upon all other trade contractors or subcontractors, and then, only if the Owner has determined that the Construction Manager’s bid or proposal provides the best value for the Owner.”

§2.3.2 Administration

§2.3.2.1 Delete this section in its entirety and replace it with the following: “All portions of the Work, other than minor work, site clean-up, etc. (“General Conditions”), shall be performed by trade contractors or subcontractors, including the Construction Manager, who have been selected using competitive bids or competitive sealed proposals. With the Owner’s approval, the Construction Manager shall publicly advertise and solicit either competitive bids or competitive sealed proposals in accordance with the policies and procedures approved by Owner. On all portions of the Work for which the Construction Manager does not submit a bid or proposal, the Construction Manager and the Owner shall receive and open all trade contractor and subcontractor bids or proposals in a manner that does not disclose the contents of the bid or proposal during the selection process. On any portion of the Work for which the Construction Manager submits a bid or proposal, the Owner shall receive and open the trade contractors’, subcontractors’ and Construction Manager’s bids or proposals, but shall not disclose the contents of the bids or proposals until the selection process therefore is completed. All bids or proposals shall be made public within seven (7) days after the date of final selection.”

§2.3.2.2 In the first sentence of this section, delete “and” from between “Work” and “(3)” and insert the following in between “exceptions,” and “but”: “and (4) offers the best value to the Owner.”

Add the following new subsections after §2.3.2.8:

“§2.3.2.9 Liquidated Damages for Failure to Complete on Time. The time of completion is the essence of this Agreement. For each day that any work shall remain uncompleted after the time specified in the Contract Documents, or the increased time granted by the Owner, or as agreed upon to be increased by additional Work or materials ordered after this Agreement is signed, the sum One Thousand and No/100 Dollars (\$1,000.00) shall be deducted from the monies due the Construction Manager. The sum of money thus deducted for such delay, failure or non-completion is not to be considered as a penalty, but shall be deemed, taken and treated as reasonable liquidated damages per day that the Construction Manager shall be in default after the time stipulated in the Contract Documents for completing the Work. The said amount is fixed and agreed upon by and between the Owner and Construction Manager because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the Owner in such event would sustain; and said amount is agreed to be the amount of damages which the Owner would sustain and which shall be retained from the monies due, or that may become due, the Construction Manager under this Agreement; and if said monies are insufficient to cover the amount owing, then the Construction Manager or its surety shall pay any additional amounts due.

§2.3.2.10 Claims for Additional Time. The Construction Manager shall be entitled to an extension of the contract time for delays or disruptions due to unusually severe weather in excess of that normally experienced at the job site only as determined from climatological data set forth in this subsection. The Construction Manager shall bear the entire economic risk of all weather delays and disruptions, and shall not be entitled to any increase in the Guaranteed Maximum Price by reason of such delays or disruptions. Rainy days shall not be considered an abnormal or adverse weather condition for which an extension of time will be granted unless and except in those months during which the actual cumulative number of rainy days within the month exceed the historical average cumulative number of rainy days for said month, provided that the rainfall prevented the execution of major items of work on normal working days. A rain day is defined as a day when rainfall exceeds one-tenth (.1) inch during a twenty-four (24) hour period. The historical average cumulative number of rainy days per calendar month is agreed by the Owner and Construction Manager to be as set forth in the following Rainfall Table:

Rainfall Table

JAN	7 calendar days	APR	7 calendar days	JUL	4 calendar days	OCT	7 calendar days
FEB	6 calendar days	MAY	9 calendar days	AUG	4 calendar days	NOV	6 calendar days
MAR	8 calendar days	JUN	7 calendar days	SEP	6 calendar days	DEC	6 calendar days

The number of rain days shown in the Rainfall Table for the first and last months of this Agreement will be prorated in determining the total number of rain days expected during the period of this Agreement. Time extensions may also be granted for any day following a period of precipitation during which muddy conditions exist and prevent performance of major items of

work conducted on normal working days, which muddy conditions are subject to confirmation by the Owner.

Requests for an extension of time pursuant to this subsection shall be submitted to the Owner and Architect not later than the fifteenth (15th) day of the month following the month during which the delays or disruptions occurred, and shall include documentation demonstrating the nature and duration of the delays or disruptions and the anticipated effect it will have on the Construction Manager's abilities to perform its obligations along with a plan to deal with the effects of such abnormal or adverse weather conditions and proposed amendments to all affected schedules and the Gantt Chart necessarily resulting therefrom. Failure to timely submit a complete notice of claim for delays and extension of time for completion due to abnormal or adverse weather conditions or rainy days pursuant to this subsection shall result in the denial of a request for extra time for performance under the Contract Documents. In the event of such failure, no adjustment shall be made to the Guaranteed Maximum Price, and the Construction Manager shall not be entitled to claim or receive any additional compensation as a result of or arising out of any delay resulting in the adjustment of the working time, due to any of the factors outlined within this subsection.

No payment, compensation, or adjustment of any kind (other than the extensions of time provided for in the Contract Documents) shall be made to the Construction Manager for damages because of hindrances or delays from any cause other than intentional interference of the Owner, whether such hindrances or delays be avoidable or unavoidable, and the Construction Manager agrees that he will make no claim for compensation, damages or mitigation of liquidated damages for any such delays."

Add the following new section after section §2.5:

"§2.6 The Construction Manager shall be responsible for all construction surveys and staking. Dimensions of Work shall not be determined by scale or rule, but figured dimensions shall be followed at all times. The Construction Manager shall compare all drawings and verify all dimensions, and shall take any and all measurements necessary to verify the Drawing dimensions in relation to conditions already established at the Project site before laying out the Work. Any discrepancy will be immediately called to the attention of the Architect and Owner by the Construction Manager. The Construction Manager will be held responsible for subsequent errors which could have been avoided."

ARTICLE 3 OWNER'S RESPONSIBILITIES

§3.1 Information and Services Required of the Owner

§3.1.2 Delete this section in its entirety.

§3.1.3 Delete this section in its entirety.

§3.2 Owner's Designated Representative

§3.2.1 Legal Requirements

Delete this section in its entirety.

§3.3 Architect

Substitute “B101-2007” for “B103-2007” in the second line.

Add the following new section after §3.3:

“§3.4 Inspection and Testing

The Owner shall provide or contract for, independently of the Construction Manager, the inspection services, the testing of construction materials engineering and the verification testing services necessary for acceptance of the Work by the Owner.”

ARTICLE 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§5.1.2 Add after the word “Work” the following: “shall be by formal Change Order.”

§5.1.3 Add after the word “Work” the following: “shall be no more than ten percent (10%) of the subcontractor’s cost, for overhead, and shall be no more than ten percent (10%) of the subcontractor’s cost, for profit.”

§5.2 Guaranteed Maximum Price

§5.2.1 Add the following language at the end of this section: “If the final Cost of the Work plus the Contractor’s Fee is less than the Guaranteed Maximum Price, as adjusted per the Contract Documents, the difference shall be considered “Savings” and shall be shared by the Owner and Contractor in the following percentages: one hundred percent (100%) to Owner.”

§5.3 Changes in the Work

§5.3.5 Delete this section in its entirety and replace with: “In the case of changes in the Work, the fee will be adjusted as provided for in Section 5.1.1, if both parties agree that the scope of services has changed significantly. No change in the Work, whether by way of alteration or addition to the Work, shall be the basis of an addition to the Guaranteed Maximum Price or a change in the Contract Time unless and until such alteration or addition has been authorized by a change order executed and issued in accordance with and in strict compliance with the requirements of the Contract Documents. This requirement is of the essence of the Contract Documents. Accordingly, no course of conduct or dealings between the parties, nor express or implied acceptance of alterations or additions to the Work, and no claim that the Owner has been unjustly enriched by any alteration or addition to the Work, whether or not there is in fact any such unjust enrichment, shall be the basis for any claim to an increase in the Guaranteed Maximum Price or change in the Contract Time.”

ARTICLE 6 COST OF THE WORK FOR CONSTRUCTION PHASE

§6.2 Labor Costs

§6.2.4 Delete this section in its entirety, and replace it with the following language: “Costs paid or incurred by the Construction Manager for payroll taxes, insurance, and customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 6.2.1 through 6.2.3.”

§6.2.5 Delete this section in its entirety.

§6.3 Subcontract Costs

Delete from this section the last word “subcontracts” and replace it with “Guaranteed Maximum Price Amendment.”

§6.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§6.5.5 Add at the end of this section, after the word “Work,” the following language: “subject to the Owner’s approval.”

§6.6 Miscellaneous Costs

§6.6.2 Delete this section in its entirety.

§6.6.6 Delete this section in its entirety.

§6.6.7 Delete this section in its entirety.

§6.6.8 Delete this section in its entirety.

§6.6.9 Delete this section in its entirety.

§6.8 Costs Not To Be Reimbursed

§6.8.1 In the first line of this section, delete the phrase “The Cost of the Work shall not include the items listed below” and replace it with the following: “The Cost of the Work shall exclude items including, but not limited to, those items listed below:”

ARTICLE 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§7.1 Progress Payments

§7.1.5 Add the following at the end of this section: “Construction Manager shall use AIA Document G702 for Application and Certificate for Payments, and shall use AIA Document G703 for necessary continuation sheets related to AIA Document G702, or shall use such documents in a similar format approved by the Owner.”

§7.1.7.3 Retainage shall be “five percent (5%).”

§7.1.7.4 Retainage shall be “five percent (5%).”

Add the following new subsection after §7.1.10:

“§7.1.11 In conjunction with any application for payment submitted by the Construction Manager, the Construction Manager shall comply with the release, lien waiver and other documentation requirements set forth in, but not limited to, AIA Document A201-2007, §9.3.3 and §9.10.2.”

§7.2 Final Payment

§7.2.3 In the first sentence after word “amount” add the following: “in accordance with the Contract Documents” and delete the remainder of the sentence. Delete the second and third sentences of this section.

ARTICLE 8 INSURANCE AND BONDS

Delete this article in its entirety and replace it with the following: “For all phases of the Project, the Construction Manager shall purchase and maintain insurance and shall provide bonds in accordance with the Contract Documents.”

ARTICLE 9 DISPUTE RESOLUTION

Delete this article, including §§ 9.1, 9.2, and 9.3, in their entirety.

ARTICLE 10 TERMINATION OR SUSPENSION

Delete this article, including §§10.1, 10.2, and 10.3, and all subsections thereunder, in their entirety.

ARTICLE 11 MISCELLANEOUS PROVISIONS

§11.3 Governing Law

Delete this section in its entirety.

§11.4 Assignment

Delete this section in its entirety.

§11.5 Other provisions

Add the following new subsections:

§11.5.1 Notwithstanding anything herein to the contrary, Owner and Construction Manager agree that (i) Construction Manager will be entitled to rely on the accuracy of the plans and specifications and on the information provided by the Owner; (ii) Construction Manager is not responsible or liable for design; (iii) line item breakdown of the Guaranteed Maximum Price and other documents issued by the Construction Manager is an estimate for accounting purposes and is not guaranteed on a line item basis; overs/unders on line items may be offset by the Construction Manager so long as the overall Guaranteed Maximum Price is not exceeded; (iv) the general conditions costs are not fixed or guaranteed on a line item basis; and (v) builder's risk coverage provided by the Construction Manager (if applicable) excludes the following: existing building(s) and contents, owner supplied material or equipment, and soft cost items (e.g. construction loan interest, realty taxes, legal fees, loss of rental/business income, consultant fees, advertising expenses, and fees for loan or lease renegotiations). The builder's risk policy will be maintained until the earlier of Substantial Completion of the work or the use of the work by the Owner.

§11.5.2 The Cost of the Work includes those categories and rates in Exhibit A.1 in addition to those stated herein (without duplication). The stated rates in Exhibit A.1 are mutually agreed fixed rates that may not be adjusted for the duration of this Agreement and are not subject to audit or adjustment based on the Construction Manager's actual cost of these items. However, the Owner may audit the number of units charged by the Construction Manager to verify that these fixed rates are properly applied. Any audit of the Cost of the Work or Contract Sum by the Owner must be completed not later than one (1) year after Substantial Completion of the Work. After this date, the Owner waives the right to audit or require adjustment of the Cost of the Work or Contract Sum.

ARTICLE 12 SCOPE OF THE AGREEMENT

§12.2 Delete this section in its entirety.

EXHIBIT "A.1"
FIXED RATES (2018)

Owner and Contractor (or Construction Manager, as applicable) mutually agree to certain specific terms below and to fix the rates for certain items of the Cost of the Work below and/or as identified in the Agreement to which this Exhibit is attached. Capitalized terms in this Exhibit have the meaning assigned in the Agreement, and the terms of this Exhibit control over anything to the contrary in the Agreement. The items in this Exhibit are considered reimbursable items of the Cost of the Work, which are not subject to audit or adjustment based on Contractor's actual cost. However, Owner may audit the number of units charged by Contractor to verify that these fixed rates are properly applied. The fixed rates are:

1. The fixed rates for wages or salaries of Contractor's supervisory and administration personnel (on or offsite), inclusive of all taxes, insurance, contributions, assessments and benefits, shall be as follows:

Classification	Rate	Unit
EVP/SVP/VP/GM (Off Site)	\$120.00	Per Hour
Project Executive (Off Site)	\$110.00	Per Hour
Senior Project Manager (Off Site)	\$92.50	Per Hour
Project Manager (Off Site)	\$77.50	Per Hour
Assistant Project Manager	\$67.50	Per Hour
Construction Manager	\$120.00	Per Hour
Superintendent	\$3,500.00	Per Week
Assistant Superintendent	\$2,400.00	Per Week
Project Engineer	\$2,400.00	Per Week
Chief Field Engineer	\$2,300.00	Per Week
Office Engineer	\$55.00	Per Hour
Senior Field Administrator	\$40.00	Per Hour
Field Administrator	\$37.50	Per Hour
Director of Safety	\$95.00	Per Hour
Safety Manager	\$77.50	Per Hour
Safety Coordinator	\$60.00	Per Hour
VDC Coordinator	\$100.00	Per Hour
VDC Technician II	\$80.00	Per Hour
VDC Technician	\$60.00	Per Hour
Quality Control Manager	\$75.00	Per Hour
SVP Estimating	\$130.00	Per Hour
Director of Preconstruction Services	\$110.00	Per Hour
Chief Estimator	\$90.00	Per Hour
Senior Estimator	\$75.00	Per Hour
Estimator	\$65.00	Per Hour
In House Legal Counsel	\$275.00	Per Hour
Field Engineer	\$37.50	Per Hour
Foreman	\$40.00	Per Hour
Carpenter	\$32.50	Per Hour
Carpenter Helper	\$30.00	Per Hour
Laborer	\$25.00	Per Hour
Operator	\$32.50	Per Hour

In addition, Owner shall reimburse Contractor for monthly automobile allowances for the following classifications at the fixed rates below. These allowances will be pro-rated based on the actual amount of time devoted by these persons to the Project.

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)

Auto Allowance	Rate	Unit
EVP/SVP/VP/GM (prorated)	\$810.00	Per Month
Project Executive (prorated)	\$810.00	Per Month
Senior Project Manager (prorated)	\$810.00	Per Month
Project Manager (prorated)	\$705.00	Per Month
Project Engineer & Assistant Superintendent	\$650.00	Per Month
Superintendent (allowance plus gas, maint., etc.)	\$1,060.00	Per Month
Foreman (only when acting as Superintendent)	\$650.00 / \$20.00	Per Month / Day

Fixed rate wages for Hourly Personnel (non-salaried) will be calculated at a ratio of "Time and a Half", per hour, after Forty (40) hours.

2. Owner agrees that Contractor may subcontract with affiliated subcontractors. Contractor will obtain bids for comparison from non-affiliated subcontractors. If any affiliated subcontractor performs any portion of the Work, the subcontract will be for a fixed, non-auditable price and will be reimbursed to Contractor as a Cost of the Work in the same manner as any other subcontractor.

3. Owner shall reimburse the cost of Contractor's Construction Pollution Prevention Plan and Texas Environmental Protection Filings at the fixed, one-time rate of:

Project Size	Rate	Unit
Any Size	\$9,250.00	One Time

4. Owner shall reimburse Contractor for data processing (including accounting and cost tracking) at the fixed rate of:

Contract Amount	Rate	Unit
Under \$2M	\$500.00	Per Month
From \$2M and under \$5M	\$900.00	Per Month
From \$5M and under \$10M	\$1,500.00	Per Month
From \$10M and under \$20M	\$2,000.00	Per Month
From \$20M and under \$40M	\$3,000.00	Per Month
From \$40M and under \$60M	\$5,000.00	Per Month
From \$60M and under \$80M	\$6,000.00	Per Month
Projects over \$80M	\$8,000.00	Per Month

5. Owner shall reimburse Contractor for construction software, IT support and connectivity at the fixed rate of:

Contract Amount	Rate	Unit
Under \$20M	\$400.00	Per Month
From \$20M and under \$50M	\$500.00	Per Month
Project Over \$50M	To Be Determined by Project	Per Month
Cellular Rates Per Employee	\$150.00	Per Month

6. Jobsite Communications Package at a rate of \$6,125.00.

7. The fixed rate for insurance carried by Contractor (including General Liability, Umbrella, and Pollution coverage) shall be \$9.86 per \$1,000.00 (.986%) of the Contract Sum. If the Project involves design-build services, Professional Liability Insurance will be furnished at the fixed rate of \$12.18 per \$1,000.00 (1.218%) of

the Contract Sum. In lieu of bonds for subcontractors, Contractor will furnish Subguard Insurance at the fixed rate of 1.5% of the cumulative value of all subcontracts.

8. The cost of Contractor's warranty department for administration and service after Project completion shall be reimbursed during the Project at the fixed rate of 0.20% (or .002) of the Contract Sum.

9. Association Fees (TEXO, DBIA, LEED, etc.) shall be reimbursed at the fixed rate of .10% (1/10th of 1% or .0010) of the Contract Sum.

10. Legal/Risk Management will be reimbursed at the fixed rate of 0.10% (.001) times the contract value.

CITY OF CELINA, TEXAS

HILL & WILKINSON CONSTRUCTION GROUP, LTD.

By: _____

By: _____

Name: Jason Laumer

Name: Mike Oswald

Title: City Manager

Title: COO

Attachment: City of Celina CMAR H&W MASTER (CMAR Contract: H&W)



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: CMAR Contract: Hangartner, LLC

Action Requested:

Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and Hangartner, LLC for Construction Manager at Risk services for the construction of Fire Stations #2, #3 and #4. (DeBuff/Brawner)

Background Information:

This agreement engages Hangartner, LLC for the Construction of Fire Stations #2, #3 and #4. Estimated completion date on construction is December of 2019.

Hangartner, LLC was chosen from a highly competitive RFQ-based selection process. Staff is recommending Hangartner, LLC as the Fire Station construction firm, and asks Council accept the attached contract.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

Finalized price will be brought to City Council; per attached agreement and based on 4% of guaranteed maximum price.

Legal Review:

This agreement has been reviewed by the City Attorney and Engineering staff.

Supporting Documents:

- Construction Manager at Risk agreement, & supplemental conditions.

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS

CONSTRUCTION MANAGER AT RISK AGREEMENT

For the consideration hereinafter set forth, Hangartner Commercial, Inc. (“Contractor” or “Construction Manager”), a Texas corporation with an office in Celina, Texas, agrees to provide construction services to the CITY OF CELINA, TEXAS (“CITY” or “Owner”), for the project(s) and work identified in this Construction Manager at Risk Agreement (“Agreement”). This Agreement is effective as of August 14, 2018, and unless earlier terminated pursuant to the provisions hereof, shall continue through the completion of performance of the Work specified hereunder.

WHEREAS, Owner desires to obtain professional construction and construction manager services from Contractor for the construction of Fire Stations Nos 2, 3 and 4 collectively the project(s) (“Project(s)"); and

WHEREAS, Contractor is a construction firm selected to provide such services, based upon Contractor’s municipal experience, references and qualifications, and is willing to undertake the performance of such services for Owner in exchange for payment and fees as hereinafter specified.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Contract Documents, and subject to the terms and conditions hereinafter stated, Owner and Contractor do mutually agree as follows:

ARTICLE 1. CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE

The term “Contract Documents” shall include and consist of the following documents:

1. This Agreement;
2. Standard Form of Agreement Between Owner and Construction Manager as Constructor, AIA Document A133-2009, and Exhibit A, the Guaranteed Maximum Price Amendment attached thereto;
3. Supplementary Conditions to AIA Document A133-2009;
4. The General Conditions of the Contract for Construction, AIA Document A201-2007, dated August 14, 2018. Whenever the term “AIA Document A201-2007, General Conditions of the Contract for Construction” or similar reference is used in the Contract Documents, including but not limited to the Standard Form of Agreement Between Owner and Construction Manager as Constructor, AIA Document A133-2009, and Exhibit A, the Guaranteed Maximum Price Amendment attached to A133-2009, then such reference shall mean the AIA Document A201-2007 referenced in this section.

5. Any Addenda adopted and agreed to by Owner and Contractor applicable to the Project;
6. The Specifications contained in the Project Manual adopted and agreed to by Owner and Contractor applicable to the Project;
7. The Drawings adopted and agreed to by Owner and Contractor applicable to the Project;
8. Other documents that form part of the Contract Documents:
 - a. Contractor's Qualification Statement;
 - b. Advertisement for Bids;
 - c. Instruction to Bidders;
 - d. Bid form;
 - e. Certified Sealed Proposal submitted by Contractor; and
9. Other amendments and/or modifications to the above documents as are agreed upon by Contractor and Owner.

These Contract Documents are incorporated by reference into this Agreement as if set out herein in their entirety. The Contract Documents are intended to be complementary; what is called for by one document shall be as binding as if called for by all Contract Documents. It is specifically provided, however, that in the event of any inconsistency in the Contract Documents, the inconsistency shall be resolved by giving precedence to the Contract Documents in the order in which they are listed above. In the case of inconsistency between the documents that is not resolved by the order in which they are listed above, the better quality or greater quantity of Work shall be provided in accordance with the Owner's interpretation. Should Drawings disagree in themselves or with Specifications and are not clarified by addendum, the better quality or greater amount of Work or materials shall be estimated upon and, unless otherwise ordered by Architect in writing, shall be performed and furnished. Figures given on Drawings govern scale measurements, and large-scale details govern small scale drawings.

ARTICLE 2. EMPLOYMENT OF CONTRACTOR

A. Contractor will perform as an independent contractor all services under this Agreement to the prevailing professional standards consistent with the level of care and skill ordinarily exercised by members of the contractor/construction manager profession, both public and private, currently practicing in the North Texas area under similar conditions including, but not limited to, the exercise of reasonable, informed judgments and prompt, timely action. If Contractor is representing that it has special expertise in one or more areas to be utilized in this Agreement, then Contractor agrees to perform those special expertise services to the appropriate local, regional and national professional standards.

B. The Contractor's and Owner's representatives on the Project(s) are listed as follows:

Contractor's Representative:
 Ben Hangartner, President
 239 W Pecan St. Ste 102
 Celina, TX 75009
 469.980.9507

Owner's Representative:
 Kimberly Brawner, P.E.
 142 N Ohio St
 Celina, TX 75009
 972-382-2682

Neither the Owner's nor the Contractor's representative shall be changed without ten (10) days' written notice to the other party. Additionally, the roles and responsibilities of the following individuals shall not be materially changed during the project duration, provided that their employment with the Contractor continues, and any such proposed change in the following personnel must have prior written approval by the Owner:

Ben Hangartner Project Executive providing a minimum of 100% time commitment to the Project(s).

_____ Project Manager providing a minimum of 0 % time commitment to the Project(s).

_____ Project Superintendent providing a minimum of 0% time commitment to the Project(s).

ARTICLE 3. SCOPE OF SERVICES

Contractor shall perform such services as are necessary to the Project specifically including, but not necessarily limited to, the tasks enumerated more fully in the Contract Documents.

ARTICLE 4. CONTRACTOR'S LIABILITY

A. Acceptance of the Work by Owner shall not constitute nor be deemed a release of the responsibility and liability of Contractor, its employees, associates, agents or subcontractors for the accuracy and competency of their performance of the Work; nor shall such acceptance be deemed an assumption of responsibility by Owner for any defect in the performance of the Work by said Contractor, its employees, associates, agents or subcontractors.

B. If at any time during the term of this Agreement, Contractor shall fail to perform the Work in accordance with the provisions of this Agreement or fail to diligently provide construction manager at risk construction services in an efficient, timely and careful manner and in strict accordance with the provisions of this Agreement or fail to use an adequate number of quality or quality of personnel to complete the Work or fail to perform any of its obligations under this Agreement, then Owner shall have the right, if Contractor shall not cure any such default after thirty (30) days' written notice thereof, to terminate this Agreement. Any such act by Owner shall

not be deemed a waiver of any other right or remedy of Owner. If, after exercising any such remedy due to Contractor's non-performance under this Agreement, the cost to Owner to complete the Work to be performed under this Agreement is in excess of that part of the Agreement sum which has not theretofore been paid to Contractor hereunder, Contractor shall be liable for and shall reimburse Owner for such excess.

C. Owner may deduct from any amounts due or to become due to Contractor any sum or sums owing by Contractor to Owner. In the event of any breach by Contractor of any provision of this Agreement or in the event of any claim against Owner arising out of Contractor's performance under this Agreement, Owner shall have the right to retain out of any payment due or to become due to Contractor an amount determined by Owner to be sufficient to protect Owner from any and all loss, damage or expense therefrom, until the breach or claim has been satisfactorily remedied or adjusted by Contractor. Owner may use these funds to pay replacement or substitute contractors to complete unfinished or defective Work. Owner may withhold payment of some or all of any progress or final payment that would otherwise be due if the Owner determines, in its discretion, that it is necessary and proper to provide an additional source of funds to pay claims for which the Owner is entitled to indemnification from Contractor under this Agreement. Amounts withheld under this Article shall be in addition to any retainage.

D. If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten (10) day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case, an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services, if any, made necessary by such default, neglect or failure. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 5. CONFIDENTIAL INFORMATION

Contractor hereby acknowledges and agrees that its representatives may have access to or otherwise receive information during the furtherance of its obligations in accordance with this Agreement, which is of a confidential, non-public or proprietary nature. Contractor shall treat any such information received in full confidence and will not disclose or appropriate such confidential information for its own use or the use of any third party at any time during or subsequent to this Agreement. As used herein, "confidential information" means all oral and written information concerning Owner, its affiliates and subsidiaries, and all oral and written information concerning Owner, or its activities, that is of a non-public, proprietary or confidential nature including, without limitation, information pertaining to customer lists, services, methods, processes and operating procedures, together with all analyses, compilation, studies, or other documents, whether prepared by Contractor or others, which contain or otherwise reflect such information. The term "confidential information" shall not include such materials that are or become generally available to the public other than as a result of disclosure by Contractor, or are required to be disclosed by a governmental authority under applicable law.

ARTICLE 6. INDEMNITY

NOTWITHSTANDING ANY OTHER PROVISION IN THE CONTRACT DOCUMENTS TO THE CONTRARY:

A. INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR EXPRESSLY AGREES TO DEFEND WITH COUNSEL REASONABLY ACCEPTABLE TO OWNER INDEMNIFY AND HOLD HARMLESS OWNER, ITS CITY COUNCIL, OFFICERS, EMPLOYEES AND AGENTS (COLLECTIVELY, "INDEMNITEES") FROM AND AGAINST ANY AND ALL CLAIMS, SUITS, LOSSES, CAUSES OF ACTION, DAMAGES AND EXPENSES AND OTHER LIABILITIES OF ANY KIND WHATSOEVER (COLLECTIVELY, "LIABILITIES"), PROVIDED THAT THEY ARE ATTRIBUTABLE TO: (1) BODILY INJURY, SICKNESS, DISEASE OR DEATH, OR (2) DAMAGE TO TANGIBLE PROPERTY. PER TEXAS INSURANCE CODE § 151.102 AND OTHER APPLICABLE LAW, CONTRACTOR'S OBLIGATIONS ABOVE SHALL ONLY EXTEND AND APPLY TO THE EXTENT THAT ANY LIABILITIES ARE CAUSED BY THE NEGLIGENCE OR FAULT OR BREACH OR VIOLATION OF ANY APPLICABLE LAW OR CONTRACT OF CONTRACTOR OR ITS AGENT, EMPLOYEE OR SUBCONTRACTOR OF ANY TIER. CONTRACTOR IS NOT REQUIRED TO DEFEND, INDEMNIFY OR HOLD HARMLESS ANY INDEMNITEE FROM OR AGAINST ANY LIABILITIES TO THE EXTENT CAUSED BY THE NEGLIGENCE OR FAULT OR BREACH OR VIOLATION OF ANY APPLICABLE LAW OR CONTRACT OF ANY INDEMNITEES OR THEIR AGENTS, EMPLOYEES OR ANY THIRD PARTIES UNDER THE CONTROL OR SUPERVISION OF ANY INDEMNITEES.

B. ADDITIONAL INSURED COVERAGE. CONTRACTOR SHALL MAINTAIN GENERAL LIABILITY INSURANCE WITH LIMITS OF NOT LESS THAN \$2,000,000 PER OCCURRENCE / \$4,000,000 AGGREGATE COVERING ITS OBLIGATIONS UNDER THIS ARTICLE 6. THE INDEMNITEES SHALL BE "ADDITIONAL INSUREDS" ON THIS INSURANCE DURING THE PERFORMANCE OF THE WORK.

C. LEGAL COMPLIANCE. THE REQUIREMENTS ABOVE ARE INTENDED TO COMPLY WITH CHAPTER 151 OF THE TEXAS INSURANCE CODE AND OTHER APPLICABLE LAW. IF ANY PART IS DETERMINED BY A COURT, ARBITRATOR OR OTHER AUTHORITY TO BE NON-COMPLIANT, THAT PART SHALL BE REFORMED OR SEVERED TO THE MINIMUM EXTENT NECESSARY, AND THE REMAINDER SHALL BE ENFORCED TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

D. Contractor shall cause all contracts for subcontracted services to include a like indemnity that shall cover both the Owner and Contractor. Nothing herein shall limit the insurance requirements or applicability of same set forth in this Agreement and the Contract Documents.

E. The above indemnity is a business understanding between the parties and applies to all different theories of recovery, including breach of contract or warranty, tort including negligence, statutory liability or any other cause of action.

ARTICLE 7. TERMINATION OR SUSPENSION

A. If the Owner fails to make payments to the Contractor in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Contractor's option, cause for suspension of performance of Work under this Agreement. If the Contractor elects to suspend performance of the Work, the Contractor shall give ten (10) days' written notice to the Owner before suspending performance of the Work. In the event of a suspension of performance of the Work, the Contractor shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of performance of the Work. Before resuming Work, the Contractor shall be paid all sums due prior to suspension and any reasonable expenses incurred in the interruption and resumption of the Contractor's Work.

B. If the Owner suspends the Project, the Contractor shall be compensated for Work performed satisfactorily prior to notice of such suspension. When the Project is resumed, the Contractor may be compensated for expenses incurred in the interruption and resumption of the Contractor's performance of the Work. The Contractor's fee for the remaining Work and the time schedules may be equitably adjusted. If the Owner suspends the Project for more than ninety (90) cumulative days for reasons other than the fault of the Contractor, the Contractor may terminate this Agreement by giving not less than thirty (30) days' written notice.

C. Either party may terminate this Agreement upon not less than thirty (30) days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

D. The Owner may terminate this Agreement upon not less than thirty (30) days' written notice to the Contractor for the Owner's convenience and without cause. In the event of termination not the fault of the Contractor, the Contractor shall be compensated for services performed prior to termination.

E. Notwithstanding any other provision in the Contract Documents to the contrary, it is agreed by the parties that: (1) if an order for relief is entered on behalf of Contractor pursuant to Title 11 of the United States Code, (2) if any other similar order is entered under any other debtor relief laws, (3) if Contractor makes a general assignment for the benefit of its creditors, (4) if a receiver is appointed for the benefit of Contractor's creditors, or (5) if a receiver is appointed on account of Contractor's insolvency, any such event could impair or frustrate Contractor's performance of the Contract Documents. Accordingly, it is agreed that upon occurrence of any of the above-listed events, Owner shall be entitled to request of Contractor or its successor in interest adequate assurance of future performance in accordance with the terms and conditions of the Contract Documents. Failure to comply with such request within ten (10) days of delivery of the request shall entitle Owner to terminate this Agreement. In all events pending receipt of adequate assurance of performance and actual performance in accordance therewith, Owner shall be entitled to proceed with the Work with its own forces or with other contractors on a time and material or other appropriate basis, the cost of which will be back-charged against the Guaranteed Maximum Price.

F. If Project is not completed to Owner's satisfaction after the 300th day from the issuance of the construction permit for the Project, Owner may elect to terminate this agreement.

ARTICLE 8. CLAIMS AND DISPUTES

A. The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other party arising out of or related to this Agreement in accordance with the requirements of the method of binding dispute resolution set forth in this Agreement within the period specified by applicable law. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Article. To the extent damages are covered by property insurance, the Owner and Contractor waive all rights against each other and against the contractors, employees, agents, and subcontractors of the other party for damages, except such rights as they may have to the proceeds of such insurance as set forth in the Contract Documents. The Owner or the Contractor, as appropriate, shall require of the contractors, employees, agents, and subcontractors of any of them similar waivers in favor of the other parties enumerated herein.

B. Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. The Owner and Contractor shall endeavor to resolve claims, disputes and other matters in question between them first, informally and, second, by mediation. A request for mediation shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. The parties shall have fifteen (15) days after receipt of a request for mediation to agree on a mediator. If the parties are unable to agree on a mediator within fifteen (15) days, each party shall have an additional five (5) days to designate a mediator. The two mediators so designated shall then designate a third unbiased mediator who shall be the mediator to conduct the mediation. The decision of the mediator shall be nonbinding. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon by the parties. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

C. If the parties do not resolve a claim, dispute or other matter in question through mediation pursuant to this Article, the method of binding dispute resolution shall be litigation in a court of competent jurisdiction.

ARTICLE 9. INSURANCE AND BONDS

A. The Contractor shall, at its own expense, procure, pay for and maintain during the term of this Agreement the following insurance written by companies approved by the State of Texas and acceptable to Owner. Premiums for that portion of insurance required by the Contract Documents that can be directly attributed to this Contract are reimbursable cost. The Contractor shall furnish to the Owner certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, and expiration dates in compliance with all applicable required provisions:

1. General Liability: Commercial General Liability insurance, including, but not limited to Premises/Operations (including X, C and U coverage as applicable), Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$2,000,000.00 per occurrence, \$4,000,000.00 Products/Completed Operations Aggregate, and \$4,000,000.00 General Aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis. General Liability may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by an excess or umbrella liability policy.

2. Automobile Liability: Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,000,000.00 per occurrence.

3. Workers' Compensation: Workers' Compensation insurance with statutory limits; and Employer's Liability coverage with minimum limits for bodily injury: (a) by accident, \$1,000,000.00 each accident, and (b) by disease, \$1,000,000.00 per employee, with a per policy aggregate of \$1,000,000.00.

Contractor shall not commence work at the project site(s) under this Agreement until all required insurance has been obtained and appropriate certificates have been submitted to Owner. If Owner is damaged by the failure of Contractor to maintain such insurance as required by the Contract Documents, then Contractor shall bear all reasonable costs properly attributed to such failure.

B. If the insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than thirty-six (36) months following completion of this Agreement and acceptance by Owner.

C. With reference to the foregoing required insurance, the Contractor shall endorse applicable insurance policies as follows: (1) a waiver of subrogation in favor of Owner, its officials, employees and officers shall be contained in the Workers' Compensation insurance policy; (2) the Owner, its officials, employees and officers shall be named as additional insureds on the Commercial General Liability policy, by using endorsement CG2026 or broader; and (3) all insurance policies shall be endorsed to the effect that Owner will receive at least thirty (30) days notice prior to cancellation, non-renewal, termination, or a material change of the policies. All insurance shall be purchased from an insurance company that meets a financial rating of B+IV or better as assigned by A. M. Best Company or equivalent.

D. Pursuant to Texas Administrative Code, Title 28, Section 110.110(c), the following language is hereby included in this Agreement:

REQUIRED WORKERS' COMPENSATION COVERAGE

The law requires that each person working on this site or providing services related to this construction project must be covered by workers' compensation insurance. This includes persons providing, hauling, or delivering equipment or materials, or providing labor or transportation or other service related to the project, regardless of the identity of their employer or status as an employee.

Call the Texas Workers' Compensation Commission at 512-440-3789 to receive information on the legal requirement for coverage, to verify whether your employer has provided the required coverage, or to report an employer's failure to provide coverage.

The Contractor agrees to comply with all applicable provisions of Texas Administrative Code, Title 28, Section 110.110, entitled "Reporting Requirements for Building or Construction Projects for Governmental Entities." Under Section 110.110: (1) certain language must be included in this Agreement and in the Contractor's contracts with subcontractors and others relating to the Work, (2) the Contractor is required to submit to the City certificates of coverage for its employees and for all others providing services relating to the Work until all project Work is completed, and (3) the Contractor is required to post certain notices at job sites.

E. The Contractor shall procure and pay for performance and payment bonds applicable to the Work, in accordance with Texas Government Code, Chapter 2253. Premiums for that portion of bonds required by the Contract Documents that can be directly attributed to this Contract are reimbursable cost. The performance and payment bonds shall be issued in forms acceptable to Owner. Among other things, these bonds shall apply to any Work performed during Contractor's performance under this Agreement, and to any Work performed during the warranty period after acceptance. The performance and payment bonds shall be issued by a corporate surety that is authorized to issue performance and payment bonds in Texas. Further, the Contractor shall supply to the Owner all capital and surplus information concerning the surety and all reinsurance information concerning the performance and payment bonds upon Owner request.

ARTICLE 10. MISCELLANEOUS

§10.1 Choice of Law

This Agreement shall be governed by the law of the State of Texas, and venue for any dispute shall be in any court of competent jurisdiction in Collin County, Texas.

§10.2 Severability

If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceable provisions shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein; and it is the intention of the parties that in lieu of each provision that is found to be illegal, invalid, or unenforceable, the parties seek to reasonably negotiate a new provision to this Agreement which is legal, valid, and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

§10.3 Notice

Except as otherwise provided in this Agreement or the Contract Documents, all notices and other communications required or permitted to be given under this Agreement, shall be in writing, addressed to the parties at their respective addresses as provided below, and may be delivered in person, sent by overnight express mail or courier service, or by certified mail, postage prepaid, return receipt requested. The addresses of each party are as follows:

If to the Owner: City of Celina

City Manager
142 N. Ohio Street
Celina, Texas 75009

If to Contractor: Hangartner Commercial, Inc.
Ben Hangartner, President
239 W Pecan St. Ste 102
Celina, TX 75009

Each party may from time to time change its address for receipt of notices by sending notice thereof in the manner provided herein to the other party. Each notice given by certified mail shall be deemed delivered on the date of delivery as shown on the return receipt, or if delivery is attempted, at the last address specified and the notice is returned, notice shall be deemed delivered on the date the notice was originally sent. Each notice delivered in any other manner shall be deemed delivered as of the time of actual receipt thereof. The parties acknowledge and agree to provide to the other party within seventy-two (72) hours of transmission such notice documents bearing the original signatures.

§10.4 Unsatisfactory Work

Nothing contained in this Agreement shall require Owner to pay for any work which is not completed in compliance with the terms of this Agreement, nor shall such failure to withhold payment pursuant to the provisions of this Section constitute a waiver of any right, at law or in equity, which Owner may have if Contractor is in default, including the right to bring legal action for damages or for a specific performance of this Agreement.

§10.5 Retainage

As is set forth in the Contract Documents, retainage shall be withheld and may be paid to: (a) ensure proper completion of the Work, and the Owner may use retained funds to pay replacement or substitute contractors to complete unfinished or defective Work; (b) ensure timely completion of the Work, and the Owner may use retained funds to pay liquidated damages; and (c) provide an additional source of funds to pay claims for which the Owner is entitled to indemnification from Contractor under the Contract Documents. Retained funds shall be held by the Owner in accounts that shall not bear interest. Retainage not otherwise withheld in accordance with the Contract Documents shall be returned to the Contractor as part of the final payment.

§10.6 No Respondeat Superior

Contractor will have exclusive control of and the exclusive right to control the details of the Work performed hereunder, and shall be liable for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, and the doctrine of *respondeat superior* shall not apply as between Owner and Contractor, its officers, agents, employees, contractors, and subcontractors, and nothing herein shall be construed as creating a partnership or joint enterprise between Owner and Contractor.

§10.7 Conflict of Interest

Contractor covenants and agrees that Contractor and its associates and employees will have no interest, and will acquire no interest, either direct or indirect, which will conflict in any manner with the performance of the services called for under this Agreement. All activities, investigations and other efforts made by Contractor pursuant to this Agreement will be conducted by employees, associates or subcontractors of Contractor.

§10.8 Non-Waiver

The failure of either party to insist upon or enforce strict performance by the other party of any provision of this Agreement, or to exercise any right under this Agreement, shall not be construed as a waiver or relinquishment to any extent of any such party's right to assert or rely upon any such provision or right in that or any other instance, rather, the same shall be and remain in full force and effect.

§10.9 Assignment

The Owner and Contractor, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Contractor shall assign this Agreement without the prior written consent of the other party.

§10.10 No Third-Party Beneficiary Created

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Contractor.

§10.11 Contracts with Local Government Entities

Without waiving of prerequisites to recovery contained in this Agreement, the Owner acknowledges that this Agreement is for the providing of goods and services and, pursuant to Section 271.151, Texas Local Government Code, the Owner has waived its immunity from suit solely for the purpose of Construction Manager enforcing this Agreement.

§10.12 Signatures

The undersigned officers and/or agents of the parties hereto are the properly authorized persons and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary motions, resolutions or other act extending such authority have been duly passed and are now in full force and effect.

Signatures on the next page

IN WITNESS WHEREOF, the parties execute below:

CITY OF CELINA, TEXAS

HANGARTNER COMMERCIAL, INC.

Jason Laumer, City Manager



Ben Hangartner, President

Date: _____

Date: August 8, 2018

Attachment: CMAR Hangartner Agreement - MASTER (CMAR Contract: Hangartner, LLC)

AIA[®] Document A133[™] - 2009

Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price.

AGREEMENT made as of the 14th day of August in the year 2018

(In words, indicate day, month and year.)

BETWEEN the Owner:

(Name, legal status and address)

City of Celina, Texas
142 N Ohio Celina, TX 75009

and the Construction Manager:

(Name, legal status and address)

Hangartner Commercial, Inc
239 W Pecan St. Ste 102, Celina, TX 75009

for the following Project:

(Name and address or location)

City of Celina Fire Stations Numbers 2, 3 and 4

The Architect:

(Name, legal status and address)

Brown, Reynolds Watford Architects, Inc.
3535 Travis Street, Suite 250
Dallas, TX 75204

The Owner's Designated Representative:

(Name, address and other information)

Jason Laumer, City Manager

The Construction Manager's Designated Representative:

(Name, address and other information)

Ben Hangartner, President
239 W Pecan St. Ste 102
Celina, TX 75009

The Architect's Designated Representative:

(Name, address and other information)

Gary DeVries, AIA
Brown, Reynolds Watford Architects, Inc.
3535 Travis Street, Suite 250
Dallas, TX 75204

Attachment: CMAR Hangartner Agreement - MASTER (CMAR Contract: Hangartner, LLC)

The Owner and Construction Manager agree as follows.

TABLE OF ARTICLES

1	GENERAL PROVISIONS
2	CONSTRUCTION MANAGER'S RESPONSIBILITIES
3	OWNER'S RESPONSIBILITIES
4	COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES
5	COMPENSATION FOR CONSTRUCTION PHASE SERVICES
6	COST OF THE WORK FOR CONSTRUCTION PHASE
7	PAYMENTS FOR CONSTRUCTION PHASE SERVICES
8	INSURANCE AND BONDS
9	DISPUTE RESOLUTION
10	TERMINATION OR SUSPENSION
11	MISCELLANEOUS PROVISIONS
12	SCOPE OF THE AGREEMENT

EXHIBIT A GUARANTEED MAXIMUM PRICE AMENDMENT

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 2.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 2.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral.

§ 1.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner; to furnish efficient construction administration, management services and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

§ 1.3 General Conditions

For the Preconstruction Phase, AIA Document A201™–2007, General Conditions of the Contract for Construction, shall apply only as specifically provided in this Agreement. For the Construction Phase, the general conditions of the contract shall be as set forth in A201–2007, which document is incorporated herein by reference. The term "Contractor" as used in A201–2007 shall mean the Construction Manager.

ARTICLE 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 2.1 and 2.2. The Construction Manager's Construction Phase responsibilities are set forth in Section 2.3. The Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ 2.1 Preconstruction Phase

§ 2.1.1 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

§ 2.1.2 Consultation

The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work. The Construction Manager shall advise the Owner and the Architect on proposed site use and improvements, selection of materials, and building systems and equipment. The Construction Manager shall also provide recommendations consistent with the Project requirements to the Owner and Architect on constructability; availability of materials and labor; time requirements for procurement, installation and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.

§ 2.1.3 When Project requirements in Section 3.1.1 have been sufficiently identified, the Construction Manager shall coordinate with the Project schedule already developed by the Architect. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities and identify items that could affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered well in advance of construction; and the occupancy requirements of the Owner.

§ 2.1.4 Phased Construction

The Construction Manager shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, or phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities and procurement and construction scheduling issues.

§ 2.1.5 Preliminary Cost Estimates

§ 2.1.5.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume or similar conceptual estimating techniques for the Architect's review and Owner's approval. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 2.1.5.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, estimates of the Cost of the Work of increasing detail and refinement and allowing for the further development of the design until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. Such estimates shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect when estimates of the Cost of the Work exceed the latest approved Project budget and make recommendations for corrective action.

§ 2.1.6 Subcontractors and Suppliers

The Construction Manager shall develop bidders' interest in the Project.

§ 2.1.7 The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered well in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered well in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the

establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 2.1.8 Extent of Responsibility

The Construction Manager shall exercise reasonable care in preparing schedules and estimates. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 2.1.9 Notices and Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi governmental authorities for inclusion in the Contract Documents.

§ 2.2 Guaranteed Maximum Price Proposal and Contract Time

§ 2.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager and in consultation with the Architect, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's review and acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, including contingencies described in Section 2.2.4, and the Construction Manager's Fee.

§ 2.2.2 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Construction Manager may provide in the Guaranteed Maximum Price for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

§ 2.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- .1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- .2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 2.2.2, to supplement the information provided by the Owner and contained in the Drawings and Specifications;
- .3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, allowances, contingency, and the Construction Manager's Fee;
- .4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and
- .5 A date by which the Owner must accept the Guaranteed Maximum Price, but in any event not less than sixty (60) days.
- .6 If Owner request, Construction Manager shall make available for inspection the background documents and information that form the basis of the Construction Manager's Guaranteed Maximum Price proposal.

§ 2.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include its contingency for the Construction Manager's exclusive use to cover those costs considered reimbursable as the Cost of the Work but not included in a Change Order.

§ 2.2.5 The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner and Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 2.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

§ 2.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the commencement of the Construction Phase, unless the Owner provides prior written authorization for such costs.

§ 2.2.8 The Owner shall authorize the Architect to provide the revisions to the Drawings and Specifications to incorporate the agreed upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish those revised Drawings and Specifications to the Construction Manager as they are revised. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the Guaranteed Maximum Price Amendment and the revised Drawings and Specifications.

§ 2.2.9 The Guaranteed Maximum Price shall not include in the Cost of the Work any taxes from which the Owner is exempt by virtue of its status as a governmental entity. In the event that the Contractor is required to pay or bear the burden of any new federal, state, or local tax, or if any rate increase of an existing tax (except a tax on net profits), as a result of any statute, court decision, written ruling, or regulation takes effect after the contract date, the Guaranteed Maximum Price shall be increased by the amount of the new tax, or tax increase.

§ 2.3 Construction Phase

§ 2.3.1 General

§ 2.3.1.1 For purposes of Section 8.1.2 of A201–2007, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 2.3.1.2 The Construction Phase shall commence upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal or the Owner's issuance of a Notice to Proceed, whichever occurs later. Other than services normally associated with Construction Manager's performance of the General Conditions, Construction Manager shall not perform any portions of the Work unless it has been awarded such portion in accordance with the same procedures imposed upon all other trade contractors or subcontractors, and then, only if the Owner has determined that the Construction Manager's bid or proposal provides the best value for the Owner.

§ 2.3.2 Administration

§ 2.3.2.1 All portions of the Work, other than minor work, site clean-up, etc. ("General Conditions"), shall be performed by trade contractors or subcontractors, including the Construction Manager, who have been selected using competitive bids or competitive sealed proposals. With the Owner's approval, the Construction Manager shall publicly advertise and solicit either competitive bids or competitive sealed proposals in accordance with the policies and procedures approved by Owner. On all portions of the Work for which the Construction Manager does not submit a bid or proposal, the Construction Manager and the Owner shall receive and open all trade contractor and subcontractor bids or proposals in a manner that does not disclose the contents of the bid or proposal during the selection process. On any portion of the Work for which the Construction Manager submits a bid or proposal, the Owner shall receive and open the trade contractors', subcontractors' and Construction Manager's bids or proposals, but shall not disclose the contents of the bids or proposals until the selection process therefore is completed. All bids or proposals shall be made public within seven (7) days after the date of final selection.

§ 2.3.2.2 If the Guaranteed Maximum Price has been established and when a specific bidder (1) is recommended to the Owner by the Construction Manager, (2) is qualified to perform that portion of the Work, (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, and (4) offers the best value to the Owner, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Contract Time and the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount and time requirement of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 2.3.2.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If the Subcontract is awarded on a cost plus fee basis, the Construction Manager shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Section 6.11 below.

§ 2.3.2.4 If the Construction Manager recommends a specific bidder that may be considered a “related party” according to Section 6.10, then the Construction Manager shall promptly notify the Owner in writing of such relationship and notify the Owner of the specific nature of the contemplated transaction, according to Section 6.10.2.

§ 2.3.2.5 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes to the Owner and Architect.

§ 2.3.2.6 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and submittal schedule in accordance with Section 3.10 of A201–2007.

§ 2.3.2.7 The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner. The Construction Manager shall also keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 2.3.2.8 The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 2.3.2.7 above.

§ 2.3.2.9 **Liquidated Damages for Failure to Complete on Time.** The time of completion is the essence of this Agreement. For each day that any work shall remain uncompleted after the time specified in the Contract Documents, or the increased time granted by the Owner, or as agreed upon to be increased by additional Work or materials ordered after this Agreement is signed, the sum One Thousand and No/100 Dollars (\$1,000.00) shall be deducted from the monies due the Construction Manager. The sum of money thus deducted for such delay, failure or non-completion is not to be considered as a penalty, but shall be deemed, taken and treated as reasonable liquidated damages per day that the Construction Manager shall be in default after the time stipulated in the Contract Documents for completing the Work. The said amount is fixed and agreed upon by and between the Owner and Construction Manager because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the Owner in such event would sustain; and said amount is agreed to be the amount of damages which the Owner would sustain and which shall be retained from the monies due, or that may become due, the Construction Manager under this Agreement; and if said monies are insufficient to cover the amount owing, then the Construction Manager or its surety shall pay any additional amounts due. In the event that the actual damages incurred by the Owner exceed the amount of liquidated damages, Owner shall be entitled to recover its actual damages.

§2.3.2.10 **Claims for Additional Time.** The Construction Manager shall be entitled to an extension of the contract time for delays or disruptions due to unusually severe weather in excess of that normally experienced at the job site only as determined from climatological data set forth in this subsection. The Construction Manager shall bear the entire economic risk of all weather delays and disruptions, and shall not be entitled to any increase in the Guaranteed Maximum Price by reason of such delays or disruptions. Rainy days shall not be considered an abnormal or adverse weather condition for which an extension of time will be granted unless and except in those months during which the actual cumulative number of rainy days within the month exceed the historical average cumulative number of rainy days for said month, provided that the rainfall prevented the execution of major items of work on normal working days. A rain day is defined as a day when rainfall exceeds one-tenth (.1) inch during a twenty-four (24) hour period. The historical average cumulative number of rainy days per calendar month is agreed by the Owner and Construction Manager to be as set forth in the following Rainfall Table:

Rainfall Table:

Month	Calendar Days
JAN	7 calendar days
FEB	6 calendar days
MAR	8 calendar days
APR	7 calendar days
MAY	9 calendar days
JUN	7 calendar days
JUL	4 calendar days
AUG	4 calendar days
SEP	6 calendar days
OCT	7 calendar days
NOV	6 calendar days
DEC	6 calendar days

The number of rain days shown in the Rainfall Table for the first and last months of this Agreement will be prorated in determining the total number of rain days expected during the period of this Agreement. Time extensions may also be granted for any day following a period of precipitation during which muddy conditions exist and prevent performance of major items of work conducted on normal working days, which muddy conditions are subject to confirmation by the Owner.

Requests for an extension of time pursuant to this subsection shall be submitted to the Owner and Architect not later than the fifteenth (15th) day of the month following the month during which the delays or disruptions occurred, and shall include documentation demonstrating the nature and duration of the delays or disruptions and the anticipated effect it will have on the Construction Manager's abilities to perform its obligations along with a plan to deal with the effects of such abnormal or adverse weather conditions and proposed amendments to all affected schedules and the Gantt Chart necessarily resulting therefrom. Failure to timely submit a complete notice of claim for delays and extension of time for completion due to abnormal or adverse weather conditions or rainy days pursuant to this subsection shall result in the denial of a request for extra time for performance under the Contract Documents. In the event of such failure, no adjustment shall be made to the Guaranteed Maximum Price, and the Construction Manager shall not be entitled to claim or receive any additional compensation as a result of or arising out of any delay resulting in the adjustment of the working time, due to any of the factors outlined within this subsection.

No payment, compensation, or adjustment of any kind (other than the extensions of time provided for in the Contract Documents) shall be made to the Construction Manager for damages because of hindrances or delays from any cause other than intentional interference of the Owner, whether such hindrances or delays be avoidable or unavoidable, and the Construction Manager agrees that he will make no claim for compensation, damages or mitigation of liquidated damages for any such delays.

§2.3.2.11 The Construction Manager shall certify to the Owner that the facility, to the best of his knowledge, has been constructed in accordance with the Architect's construction documents. The certification shall be in a form which is acceptable to the Owner and Construction Manager.

§ 2.4 Professional Services

Section 3.12.10 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 2.5 Hazardous Materials

Section 10.3 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 2.6 Construction Surveys and Staking

Dimensions of Work shall not be determined by scale or rule, but figured dimensions shall be followed at all times. The Construction Manager shall compare all drawings and verify all dimensions, and shall take any and all measurements necessary to verify the Drawing dimensions in relation to conditions already established at the Project site before laying out the Work. Any discrepancy will be immediately called to the attention of the Architect and Owner by the Construction Manager. The Construction Manager will be held responsible for subsequent errors which could have been avoided.

ARTICLE 3 OWNER'S RESPONSIBILITIES

§ 3.1 Information and Services Required of the Owner

§ 3.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.

§ 3.1.2 deleted

§ 3.1.3 deleted

§ 3.1.4 **Structural and Environmental Tests, Surveys and Reports.** During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 3.1.4.1 The Owner shall furnish tests, inspections and reports required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 3.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 3.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 3.1.4.4 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 3.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201-2007, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 3.2.1 **Legal Requirements** deleted

§ 3.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B133™-2014, Standard Form of Agreement Between Owner and Architect, Construction Manager as Constructor Edition. The Owner shall provide the Construction Manager a copy of the executed agreement between the Owner and the Architect, and any further modifications to the agreement.

§3.4 Inspection and Testing

The Owner shall provide or contract for, independently of the Construction Manager, the inspection services, the testing of construction materials engineering and the verification testing services necessary for acceptance of the Work by the Owner.

ARTICLE 4 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES**§ 4.1 Compensation**

§ 4.1.1 For the Construction Manager's Preconstruction Phase services, the Owner shall compensate the Construction Manager as follows:

§ 4.1.2 For the Construction Manager's Preconstruction Phase services described in Sections 2.1 and 2.2:
(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)
1.0% of the Guaranteed Maximum Price.

§ 4.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within three (3) months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 4.1.4 Compensation based on Direct Personnel Expense includes the direct salaries of the Construction Manager's personnel providing Preconstruction Phase services on the Project and the Construction Manager's costs for the mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, employee retirement plans and similar contributions.

§ 4.2 Payments

§ 4.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

§ 4.2.2 Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid thirty (30) calendar days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.
(Insert rate of monthly or annual interest agreed upon.)

0%

ARTICLE 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 5.1 For the Construction Manager's performance of the Work as described in Section 2.3, the Owner shall pay the Construction Manager the Contract Sum in current funds. The Contract Sum is the Cost of the Work as defined in Section 6.1.1 plus the Construction Manager's Fee.

§ 5.1.1 The Construction Manager's Fee:
(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

Four Percent (4%)

§ 5.1.2 The method of adjustment of the Construction Manager's Fee for changes in the Work shall be by formal change order.

§ 5.1.3 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work shall be no more than ten percent (10%) of the subcontractor's cost, for overhead, and shall be no more than ten percent (10%) of the subcontractor's cost, for profit:

§ 5.1.4 Rental rates for Construction Manager-owned equipment shall not exceed ten percent (10%) of the standard rate paid at the place of the Project.

§ 5.1.5 Unit prices, if any:
(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$0.00)
N/A	N/A	N/A

§ 5.2 Guaranteed Maximum Price

§ 5.2.1 The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, as it is amended from time to time. To the extent the Cost of the Work exceeds the Guaranteed Maximum Price, the Construction Manager shall bear such costs in excess of the Guaranteed Maximum Price without reimbursement or additional compensation from the Owner. In case of any “buy out” transaction or agreement by the Construction Manager with a subcontractor for the subcontractor’s cost of its portion of the Work, then such savings shall be shared with the Owner in the following percentages: one hundred percent (100%) to Owner. Said savings shall be memorialized by appropriate change order. Documentation regarding such “buy out” transactions/agreements shall be subject to the Owner’s audit and inspection rights set forth in §6.11.

§ 5.2.1.1 The Construction Manager does not guarantee any specific line item provided as part of the Guaranteed Maximum Price, and has the sole discretion to apply payment due to overruns in one line item to savings due to underruns in any other line item. Construction Manager agrees, however, that it will be responsible for paying all cost of completing the Work which exceed the Guaranteed Maximum Price, as adjusted in accordance with the Contract Documents.

§ 5.2.2 The Guaranteed Maximum Price is subject to additions and deductions by Change Order as provided in the Contract Documents and the Date of Substantial Completion shall be subject to adjustment as provided in the Contract Documents.

§ 5.3 Changes in the Work

§ 5.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Architect may make minor changes in the Work as provided in Section 7.4 of AIA Document A201–2007, General Conditions of the Contract for Construction. The Construction Manager shall be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 5.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Section 7.3.3 of AIA Document A201–2007, General Conditions of the Contract for Construction.

§ 5.3.3 In calculating adjustments to subcontracts (except those awarded with the Owner’s prior consent on the basis of cost plus a fee), the terms “cost” and “fee” as used in Section 7.3.3.3 of AIA Document A201–2007 and the term “costs” as used in Section 7.3.7 of AIA Document A201–2007 shall have the meanings assigned to them in AIA Document A201–2007 and shall not be modified by Sections 5.1 and 5.2, Sections 6.1 through 6.7, and Section 6.8 of this Agreement. Adjustments to subcontracts awarded with the Owner’s prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 5.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms “cost” and “costs” as used in the above-referenced provisions of AIA Document A201–2007 shall mean the Cost of the Work as defined in Sections 6.1 to 6.7 of this Agreement and the term “fee” shall mean the Construction Manager’s Fee as defined in Section 5.1 of this Agreement.

§ 5.3.5 In the case of changes in the Work, the fee will be adjusted as provided for in Section 5.1.1, if both parties agree that the scope of services has changed significantly. No change in the Work, whether by way of alteration or addition to the Work, shall be the basis of an addition to the Guaranteed Maximum Price or a change in the Contract Time unless and until such alteration or addition has been authorized by a change order executed and issued in accordance with and in strict compliance with the requirements of the Contract Documents. This requirement is of the essence of the Contract Documents. Accordingly, no course of conduct or dealings between the parties, nor express or implied acceptance of alterations or additions to the Work, and no claim that the Owner has been unjustly enriched by any alteration or addition to the Work, whether or not there is in fact any such unjust enrichment, shall be the basis for any claim to an increase in the Guaranteed Maximum Price or change in the Contract Time.

ARTICLE 6 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 6.1 Costs to Be Reimbursed

§ 6.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in Sections 6.1 through 6.7.

§ 6.1.2 Where any cost is subject to the Owner's prior approval, the Construction Manager shall obtain this approval prior to incurring the cost. The parties shall endeavor to identify any such costs prior to executing Guaranteed Maximum Price Amendment.

§ 6.2 Labor Costs

§ 6.2.1 Wages of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 6.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site with the Owner's prior approval.

(If it is intended that the wages or salaries of certain personnel stationed at the Construction Manager's principal or other offices shall be included in the Cost of the Work, identify in Section 11.5, the personnel to be included, whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

§ 6.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 6.2.4 Costs paid or incurred by the Construction Manager for payroll taxes, insurance, and customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 6.2.1 through 6.2.3, and provided that such costs do not exceed forty-one percent (41%) of such wages and salaries.

§ 6.2.5 Deleted

§ 6.3 Subcontract Costs

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the Guaranteed Maximum Price Amendment.

§ 6.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 6.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ 6.4.2 Costs of materials described in the preceding Section 6.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 6.5.1 Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

§ 6.5.2 Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Construction Manager-owned item

may not exceed the purchase price of any comparable item. Rates of Construction Manager-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

§ 6.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 6.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

§ 6.5.5 That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work subject to the Owner's approval.

§ 6.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

§ 6.6 Miscellaneous Costs

§ 6.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract. Self-insurance for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

§ 6.6.2 Deleted

§ 6.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Construction Manager is required by the Contract Documents to pay.

§ 6.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201-2007 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 6.7.3.

§ 6.6.5 Deleted

§ 6.6.6 Deleted

§ 6.6.7 Deleted

§ 6.6.8 Deleted

§ 6.6.9 Deleted

§ 6.7 Other Costs and Emergencies

§ 6.7.1 Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.

§ 6.7.2 Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.4 of AIA Document A201-2007.

§ 6.7.3 Deleted

§ 6.7.4 Deleted

§ 6.8 Costs Not To Be Reimbursed

§ 6.8.1 The Cost of the Work shall exclude items including, but not limited to, those items listed below:

- .1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 6.2, or as may be provided in Article 11;
- .2 Expenses of the Construction Manager's principal office and offices other than the site office;
- .3 Overhead and general expenses, except as may be expressly included in Sections 6.1 to 6.7;
- .4 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;

- .5 Except as provided in Section 6.7.3 of this Agreement, costs due to the negligence or failure of the Construction Manager, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to fulfill a specific responsibility of the Contract;
- .6 Any cost not specifically and expressly described in Sections 6.1 to 6.7;
- .7 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and
- .8 Costs for services incurred during the Preconstruction Phase.

§ 6.9 Discounts, Rebates and Refunds

§ 6.9.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 6.9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 6.9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.10 Related Party Transactions

§ 6.10.1 For purposes of Section 6.10, the term “related party” shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Construction Manager; any entity in which any stockholder in, or management employee of, the Construction Manager owns any interest in excess of ten percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Construction Manager. The term “related party” includes any member of the immediate family of any person identified above.

§ 6.10.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods or service from the related party, as a Subcontractor, according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3. If the Owner fails to authorize the transaction, the Construction Manager shall procure the Work, equipment, goods or service from some person or entity other than a related party according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3.

§ 6.11 Accounting Records

The Construction Manager shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner’s auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager’s records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor’s proposals, purchase orders, vouchers, memoranda and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 7.1 Progress Payments

§ 7.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Construction Manager as provided below and elsewhere in the Contract Documents.

§ 7.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

§ 7.1.3 Provided that an Application for Payment is received by the Architect not later than the last day of a month, the Owner shall make payment of the certified amount to the Construction Manager not later than the 30th day of the

following month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than thirty (30) calendar days after the Architect receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

§ 7.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, less that portion of those payments attributable to the Construction Manager's Fee, plus payrolls for the period covered by the present Application for Payment.

§ 7.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Construction Manager's Fee shall be shown as a single separate item. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Construction Manager's Applications for Payment. Construction Manager shall use AIA Document G702 for Application and Certificate for Payments, and shall use AIA Document G703 for necessary continuation sheets related to AIA Document G702, or shall use such documents in a similar format approved by the Owner.

§ 7.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work for which the Construction Manager has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 7.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201-2007;
- .2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 Add the Construction Manager's Fee, less retainage of five percent (5%). The Construction Manager's Fee shall be computed upon the Cost of the Work at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .4 Subtract retainage of five percent (5%) from that portion of the Work that the Construction Manager self-performs;
- .5 Subtract the aggregate of previous payments made by the Owner;
- .6 Subtract the shortfall, if any, indicated by the Construction Manager in the documentation required by Section 7.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .7 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-2007.

§ 7.1.8 The Owner and Construction Manager shall agree upon (1) a mutually acceptable procedure for review and approval of payments to Subcontractors and (2) the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 7.1.9 Except with the Owner's prior approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 7.1.10 In taking action on the Construction Manager's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Section 7.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections; or that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

§7.1.11 In conjunction with any application for payment submitted by the Construction Manager, the Construction Manager shall comply with the release, lien waiver and other documentation requirements set forth in, but not limited to, AIA Document A201-2007, §9.3.3 and §9.10.2.

§ 7.2 Final Payment

§ 7.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract except for the Construction Manager's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and
- .3 a final Certificate for Payment has been issued by the Architect.

The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment.

§ 7.2.2 The Owner's auditors will review and report in writing on the Construction Manager's final accounting within 30 days after delivery of the final accounting to the Architect by the Construction Manager. Based upon such Cost of the Work as the Owner's auditors report to be substantiated by the Construction Manager's final accounting, and provided the other conditions of Section 7.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's auditors, either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Section 9.5.1 of the AIA Document A201-2007. The time periods stated in this Section supersede those stated in Section 9.4.1 of the AIA Document A201-2007. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 7.2.3 If the Owner's auditors report the Cost of the Work as substantiated by the Construction Manager's final accounting to be less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount in accordance with the Contract Documents. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 7.2.4 If, subsequent to final payment and at the Owner's request, the Construction Manager incurs costs described in Section 6.1.1 and not excluded by Section 6.8 to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager such costs and the Construction Manager's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Construction Manager has participated in savings as provided in Section 5.2.1, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Construction Manager.

ARTICLE 8 INSURANCE AND BONDS

For all phases of the Project, the Construction Manager shall purchase and maintain insurance and shall provide bonds in accordance with the Contract Documents.

(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201–2007.)

Type of Insurance or Bond

Limit of Liability or Bond Amount (\$0.00)

ARTICLE 9 DISPUTE RESOLUTION

Deleted

ARTICLE 10 TERMINATION OR SUSPENSION

Deleted

ARTICLE 11 MISCELLANEOUS PROVISIONS

§ 11.1 Terms in this Agreement shall have the same meaning as those in A201–2007.

§ 11.2 Ownership and Use of Documents

Section 1.5 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 11.3 Governing Law deleted

§ 11.4 Assignment deleted

§ 11.5 Other provisions: NA

ARTICLE 12 SCOPE OF THE AGREEMENT

§ 12.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 12.2 deleted

This Agreement is entered into as of the day and year first written above.

OWNER (Signature)

Jason Laumer, City Manager
(Printed name and title)



CONSTRUCTION MANAGER (Signature)

Ben Hangartner, President
(Printed name and title)

THE CITY OF CELINA, TEXAS

**SUPPLEMENTARY CONDITIONS
TO AIA DOCUMENT A133-2009**

These Supplementary Conditions are incorporated into the Construction Manager at Risk Agreement between HANGARTNER COMMERCIAL, INC. (“Contractor”) and the CITY OF CELINA, TEXAS (“CITY” or “Owner”), dated August 14, 2018. The following terms and conditions supplement and modify the “Standard Form of Agreement Between Owner and Construction Manager as Constructor,” AIA Document A133-2009. Where a portion of AIA Document A133-2009 is modified or deleted by these Supplementary Conditions, the unaltered portions of AIA Document A133-2009 shall remain in effect.

SUPPLEMENTARY CONDITIONS TO AIA DOCUMENT A133-2009

ARTICLE 1 GENERAL PROVISIONS

§1.1 The Contract Documents

Delete the last sentence of this section.

ARTICLE 2 CONSTRUCTION MANAGER’S RESPONSIBILITIES

§2.1 Preconstruction Phase

§2.1.3 In the first sentence, after the word “shall,” add: “coordinate with the Project schedule already developed by the Architect” and delete the rest of the sentence. Delete the second sentence of this section.

§2.2 Guaranteed Maximum Price Proposal and Contract Time

§2.2.2 In the last sentence of this section, replace “shall” with “may.”

§2.2.3.5 Add the following language at the end of this subsection: “, but in any event not less than sixty (60) days.”

Add the following new subsection after subsection §2.2.3.5:

“§2.2.3.6 If Owner requests, Construction Manager shall make available for inspection the background documents and information that form the basis of the Construction Manager’s Guaranteed Maximum Price proposal.”

§2.2.9 Delete this section in its entirety and replace it with the following: “The Guaranteed Maximum Price shall not include in the Cost of the Work any taxes from which the Owner is exempt by virtue of its status as a governmental entity. In the event that the Contractor is required to pay or bear the burden of any new federal, state, or local tax, or if any rate increase of

an existing tax (except a tax on net profits), as a result of any statute, court decision, written ruling, or regulation takes effect after the contract date, the Guaranteed Maximum Price shall be increased by the amount of the new tax, or tax increase.”

§2.3 Construction Phase

§2.3.1 General

§2.3.1.2 At the end of the section, replace “earlier” with “later.” Add the following language at the end of the section: “Other than services normally associated with Construction Manager’s performance of the General Conditions, Construction Manager shall not perform any portions of the Work unless it has been awarded such portion in accordance with the same procedures imposed upon all other trade contractors or subcontractors, and then, only if the Owner has determined that the Construction Manager’s bid or proposal provides the best value for the Owner.”

§2.3.2 Administration

§2.3.2.1 Delete this section in its entirety and replace it with the following: “All portions of the Work, other than minor work, site clean-up, etc. (“General Conditions”), shall be performed by trade contractors or subcontractors, including the Construction Manager, who have been selected using competitive bids or competitive sealed proposals. With the Owner’s approval, the Construction Manager shall publicly advertise and solicit either competitive bids or competitive sealed proposals in accordance with the policies and procedures approved by Owner. On all portions of the Work for which the Construction Manager does not submit a bid or proposal, the Construction Manager and the Owner shall receive and open all trade contractor and subcontractor bids or proposals in a manner that does not disclose the contents of the bid or proposal during the selection process. On any portion of the Work for which the Construction Manager submits a bid or proposal, the Owner shall receive and open the trade contractors’, subcontractors’ and Construction Manager’s bids or proposals, but shall not disclose the contents of the bids or proposals until the selection process therefore is completed. All bids or proposals shall be made public within seven (7) days after the date of final selection.”

§2.3.2.2 In the first sentence of this section, delete “and” from between “Work” and “(3)” and insert the following in between “exceptions,” and “but”: “and (4) offers the best value to the Owner.”

Add the following new subsections after §2.3.2.8:

“§2.3.2.9 Liquidated Damages for Failure to Complete on Time. The time of completion is the essence of this Agreement. For each day that any work shall remain uncompleted after the time specified in the Contract Documents, or the increased time granted by the Owner, or as agreed upon to be increased by additional Work or materials ordered after this Agreement is signed, the sum One Thousand and No/100 Dollars (\$1,000.00) shall be deducted from the monies due the Construction Manager. The sum of money thus deducted for such delay, failure or non-completion is not to be considered as a penalty, but shall be deemed, taken

and treated as reasonable liquidated damages per day that the Construction Manager shall be in default after the time stipulated in the Contract Documents for completing the Work. The said amount is fixed and agreed upon by and between the Owner and Construction Manager because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the Owner in such event would sustain; and said amount is agreed to be the amount of damages which the Owner would sustain and which shall be retained from the monies due, or that may become due, the Construction Manager under this Agreement; and if said monies are insufficient to cover the amount owing, then the Construction Manager or its surety shall pay any additional amounts due. In the event that the actual damages incurred by the Owner exceed the amount of liquidated damages, Owner shall be entitled to recover its actual damages.

§2.3.2.10 Claims for Additional Time. The Construction Manager shall be entitled to an extension of the contract time for delays or disruptions due to unusually severe weather in excess of that normally experienced at the job site only as determined from climatological data set forth in this subsection. The Construction Manager shall bear the entire economic risk of all weather delays and disruptions, and shall not be entitled to any increase in the Guaranteed Maximum Price by reason of such delays or disruptions. Rainy days shall not be considered an abnormal or adverse weather condition for which an extension of time will be granted unless and except in those months during which the actual cumulative number of rainy days within the month exceed the historical average cumulative number of rainy days for said month, provided that the rainfall prevented the execution of major items of work on normal working days. A rain day is defined as a day when rainfall exceeds one-tenth (.1) inch during a twenty-four (24) hour period. The historical average cumulative number of rainy days per calendar month is agreed by the Owner and Construction Manager to be as set forth in the following Rainfall Table:

Rainfall Table

JAN	7 calendar days	APR	7 calendar days	JUL	4 calendar days	OCT	7 calendar days
FEB	6 calendar days	MAY	9 calendar days	AUG	4 calendar days	NOV	6 calendar days
MAR	8 calendar days	JUN	7 calendar days	SEP	6 calendar days	DEC	6 calendar days

The number of rain days shown in the Rainfall Table for the first and last months of this Agreement will be prorated in determining the total number of rain days expected during the period of this Agreement. Time extensions may also be granted for any day following a period of precipitation during which muddy conditions exist and prevent performance of major items of work conducted on normal working days, which muddy conditions are subject to confirmation by the Owner.

Requests for an extension of time pursuant to this subsection shall be submitted to the Owner and Architect not later than the fifteenth (15th) day of the month following the month during which the delays or disruptions occurred, and shall include documentation demonstrating the nature and duration of the delays or disruptions and the anticipated effect it will have on the Construction Manager's abilities to perform its obligations along with a plan to deal with the effects of such abnormal or adverse weather conditions and proposed amendments to all affected schedules and

the Gantt Chart necessarily resulting therefrom. Failure to timely submit a complete notice of claim for delays and extension of time for completion due to abnormal or adverse weather conditions or rainy days pursuant to this subsection shall result in the denial of a request for extra time for performance under the Contract Documents. In the event of such failure, no adjustment shall be made to the Guaranteed Maximum Price, and the Construction Manager shall not be entitled to claim or receive any additional compensation as a result of or arising out of any delay resulting in the adjustment of the working time, due to any of the factors outlined within this subsection.

No payment, compensation, or adjustment of any kind (other than the extensions of time provided for in the Contract Documents) shall be made to the Construction Manager for damages because of hindrances or delays from any cause other than intentional interference of the Owner, whether such hindrances or delays be avoidable or unavoidable, and the Construction Manager agrees that he will make no claim for compensation, damages or mitigation of liquidated damages for any such delays.”

§2.3.2.11 The Construction Manager shall certify to the Owner that the facility, to the best of his knowledge, has been constructed in accordance with the Architect’s construction documents. The certification shall be in a form which is acceptable to the Owner and Construction Manager.

Add the following new section after section §2.5:

“§2.6 Construction Surveys and Staking

The Construction Manager shall be responsible for all construction surveys and staking. Dimensions of Work shall not be determined by scale or rule, but figured dimensions shall be followed at all times. The Construction Manager shall compare all drawings and verify all dimensions, and shall take any and all measurements necessary to verify the Drawing dimensions in relation to conditions already established at the Project site before laying out the Work. Any discrepancy will be immediately called to the attention of the Architect and Owner by the Construction Manager. The Construction Manager will be held responsible for subsequent errors which could have been avoided.”

ARTICLE 3 OWNER’S RESPONSIBILITIES

§3.1 Information and Services Required of the Owner

§3.1.2 Delete this section in its entirety.

§3.1.3 Delete this section in its entirety.

§3.2 Owner’s Designated Representative

§3.2.1 Legal Requirements

Delete this section in its entirety.

Add the following new section after §3.3:

“§3.4 Inspection and Testing

The Owner shall provide or contract for, independently of the Construction Manager, the inspection services, the testing of construction materials engineering and the verification testing services necessary for acceptance of the Work by the Owner.”

ARTICLE 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§5.1.2 Add after the word “Work” the following: “shall be by formal Change Order.”

§5.1.3 Add after the word “Work” the following: “shall be no more than ten percent (10%) of the subcontractor’s cost, for overhead, and shall be no more than ten percent (10%) of the subcontractor’s cost, for profit.”

§5.2 Guaranteed Maximum Price

§5.2.1 Add the following language at the end of this section: “In case of any “buy out” transaction or agreement by the Construction Manager with a subcontractor for the subcontractor’s cost of its portion of the Work, then such savings shall be shared with the Owner in the following percentages: one hundred percent (100%) to Owner. Said savings shall be memorialized by appropriate change order. Documentation regarding such “buy out” transactions/agreements shall be subject to the Owner’s audit and inspection rights set forth in §6.11.”

§5.3 Changes in the Work

§5.3.5 Delete this section in its entirety and replace with: “In the case of changes in the Work, the fee will be adjusted as provided for in Section 5.1.1, if both parties agree that the scope of services has changed significantly. No change in the Work, whether by way of alteration or addition to the Work, shall be the basis of an addition to the Guaranteed Maximum Price or a change in the Contract Time unless and until such alteration or addition has been authorized by a change order executed and issued in accordance with and in strict compliance with the requirements of the Contract Documents. This requirement is of the essence of the Contract Documents. Accordingly, no course of conduct or dealings between the parties, nor express or implied acceptance of alterations or additions to the Work, and no claim that the Owner has been unjustly enriched by any alteration or addition to the Work, whether or not there is in fact any such unjust enrichment, shall be the basis for any claim to an increase in the Guaranteed Maximum Price or change in the Contract Time.”

ARTICLE 6 COST OF THE WORK FOR CONSTRUCTION PHASE

§6.2 Labor Costs

§6.2.4 Delete this section in its entirety, and replace it with the following language: “Costs paid or incurred by the Construction Manager for payroll taxes, insurance, and customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 6.2.1 through 6.2.3, and provided that such costs do not exceed forty-one percent (41%) of such wages and salaries.”

§6.2.5 Delete this section in its entirety.

§6.3 Subcontract Costs

Delete from this section the last word “subcontracts” and replace it with “Guaranteed Maximum Price Amendment.”

§6.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§6.5.5 Add at the end of this section, after the word “Work,” the following language: “subject to the Owner’s approval.”

§6.6 Miscellaneous Costs

§6.6.2 Delete this section in its entirety.

§6.6.5 Delete this section in its entirety.

§6.6.6 Delete this section in its entirety.

§6.6.7 Delete this section in its entirety.

§6.6.8 Delete this section in its entirety.

§6.6.9 Delete this section in its entirety.

§6.7 Other Costs and Emergencies

§6.7.3 Delete this section in its entirety.

§6.7.4 Delete this section in its entirety.

§6.8 Costs Not To Be Reimbursed

§6.8.1 In the first line of this section, delete the phrase “The Cost of the Work shall not include the items listed below” and replace it with the following: “The Cost of the Work shall exclude items including, but not limited to, those items listed below:”

ARTICLE 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§7.1 Progress Payments

§7.1.5 Add the following at the end of this section: “Construction Manager shall use AIA Document G702 for Application and Certificate for Payments, and shall use AIA Document G703 for necessary continuation sheets related to AIA Document G702, or shall use such documents in a similar format approved by the Owner.”

§7.1.7.3 Retainage shall be “five percent (5%).”

§7.1.7.4 Retainage shall be “five percent (5%).”

Add the following new subsection after §7.1.10:

“§7.1.11 In conjunction with any application for payment submitted by the Construction Manager, the Construction Manager shall comply with the release, lien waiver and other documentation requirements set forth in, but not limited to, AIA Document A201-2007, §9.3.3 and §9.10.2.”

§7.2 Final Payment

§7.2.3 In the first sentence after word “amount” add the following: “in accordance with the Contract Documents” and delete the remainder of the sentence. Delete the second and third sentences of this section.

ARTICLE 8 INSURANCE AND BONDS

Delete this article in its entirety and replace it with the following: “For all phases of the Project, the Construction Manager shall purchase and maintain insurance and shall provide bonds in accordance with the Contract Documents.”

ARTICLE 9 DISPUTE RESOLUTION

Delete this article, including §§ 9.1, 9.2, and 9.3, in their entirety.

ARTICLE 10 TERMINATION OR SUSPENSION

Delete this article, including §§10.1, 10.2, and 10.3, and all subsections thereunder, in their entirety.

ARTICLE 11 MISCELLANEOUS PROVISIONS**§11.3 Governing Law**

Delete this section in its entirety.

§11.4 Assignment

Delete this section in its entirety.

ARTICLE 12 SCOPE OF THE AGREEMENT

§12.2 Delete this section in its entirety.

AIA[®] Document A201[™] – 2007

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address)

City of Celina Fire Stations Nos 2, 3 and 4

THE OWNER:

(Name, legal status and address)

City of Celina

142 N Ohio Street

Celina, TX 75009

THE ARCHITECT:

(Name, legal status and address)

BRW Architects

3535 Travis Street, Suite 250

Dallas, TX 75204

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

In the interest of brevity the Contract Documents frequently omit modifying words such as “all” and “any” and articles such as “the” and “an,” but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 The Architect and the Architect’s consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect’s or Architect’s consultants’ reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect’s consultants.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner’s approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term “Owner” means the Owner or the Owner’s authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic’s lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner’s interest therein.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner’s obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner’s ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any loss or damage arising solely from those Owner-required means, methods, techniques, sequences or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 **Concealed or Unknown Conditions.** If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct,

but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1 Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to the proposed superintendent or (2) that the Architect requires additional time to review. Failure of the Architect to reply within the 14 day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect's approval. The Architect's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled

to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.13 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce

other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the

Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term “Sub-subcontractor” is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a separate contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a separate contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

- .1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
- .2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 MINOR CHANGES IN THE WORK

The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control; or by delay authorized by the Owner pending mediation and arbitration; or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.2 SCHEDULE OF VALUES

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor

shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.3.1.5 and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a

bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable,

and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

§ 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- .1 Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
- .2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- .3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- .4 Claims for damages insured by usual personal injury liability coverage;
- .5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- .6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- .7 Claims for bodily injury or property damage arising out of completed operations; and
- .8 Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.3 PROPERTY INSURANCE

§ 11.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project.

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

§ 11.3.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance that will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.3.1.3 If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE

The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.3.3 LOSS OF USE INSURANCE

The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused.

§ 11.3.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final

payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 11.3.7 WAIVERS OF SUBROGATION

The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the Owner as fiduciary shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the arbitrators.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary

by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 13.7.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency that requires all Work to be stopped;
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 The Owner has failed to furnish to the Contractor promptly, upon the Contractor's request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Initial Decision Maker that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 CLAIMS

§ 15.1.1 DEFINITION

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 15.1.2 NOTICE OF CLAIMS

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.6 shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION

§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 CONSOLIDATION OR JOINDER

§ 15.4.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Contractor under this Agreement.



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: BRW Design Contract

Action Requested:

Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and BRW Architects, Inc. for architectural design services for Fire Stations #2 and #3. (DeBuff/Brawner)

Background Information:

This agreement engages BRW Architects, Inc. for the architectural design of Fire Stations #2 and #3. Completion date on construction is December of 2019.

BRW Architects, Inc. was chosen from a highly competitive RFQ-based selection process. Staff is recommending BRW as the architect design firm for Fire Stations #2 and #3, and asks Council accept the attached contract.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

Finalized price will be brought to City Council; per attached agreement and based on final construction figure.

Legal Review:

This agreement has been reviewed by the City Attorney and Engineering staff.

Supporting Documents:

- Architectural Services agreement, & supplemental conditions.

Staff Recommendation:

Staff recommends approval.



CITY OF CELINA, TEXAS

ARCHITECTURAL SERVICES AGREEMENT

For the consideration hereinafter set forth, Brown Reynolds Watford Architects, Inc. ("Architect"), a Texas corporation with an office in Dallas, Texas, agrees to provide architectural services to the CITY OF CELINA, TEXAS ("Celina" or "Owner"), for the project(s) and work identified in this Architectural Services Agreement ("Agreement"). This Agreement is effective as of August 1, 2018, and unless earlier terminated pursuant to the provisions hereof, shall continue through the completion of performance of the Work specified hereunder.

WHEREAS, Owner desires to obtain professional architectural services from Architect for Celina Fire Stations No. 2 and 3, Phase 1 ("Project"); and

WHEREAS, Architect is an architectural firm selected to provide such services, based upon Architect's municipal experience, references and qualifications, and is willing to undertake the performance of such services for Owner in exchange for payment and fees as hereinafter specified.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Contract Documents, and subject to the terms and conditions hereinafter stated, Owner and Architect do mutually agree as follows:

ARTICLE 1. CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE

The term "Contract Documents" shall include and consist of the following documents:

1. This Agreement;
2. Brown Reynolds Watford Architects Fee Proposal, titled City of Celina Fire Stations No. 2 and 3, Phase 1, dated August 1, 2018
3. Standard Form of Agreement Between Owner and Architect, AIA Document B101-2007, attached thereto;
4. General Conditions of the Contract for Construction, AIA Document A201-2007;
5. Supplementary Conditions to AIA Documents B101-2007, and AIA Document A201-2007; and

6. Other amendments and/or modifications to the above documents as are agreed upon by Architect and Owner.

These Contract Documents are incorporated by reference into this Agreement as if set out herein in their entirety. The Contract Documents are intended to be complimentary; what is called for by one document shall be as binding as if called for by all Contract Documents. It is specifically provided, however, that in the event of any inconsistency in the Contract Documents, the inconsistency shall be resolved by giving precedence to the Contract Documents in the order in which they are listed above.

ARTICLE 2. EMPLOYMENT OF ARCHITECT

Architect will perform as an independent contractor all services under this Agreement to the prevailing professional standards consistent with the level of care and skill ordinarily exercised by members of the architectural profession, both public and private, currently practicing in the North Texas area under similar conditions including, but not limited to, the exercise of reasonable, informed judgments and prompt, timely action. If Architect is representing that it has special expertise in one or more areas to be utilized in this Agreement, then Architect agrees to perform those special expertise services to the appropriate local, regional and national professional standards.

ARTICLE 3. SCOPE OF SERVICES

Architect shall perform such services as are necessary to the Project specifically including, but not necessarily limited to, the tasks enumerated more fully in the Contract Documents.

ARTICLE 4. ARCHITECT'S LIABILITY

A. Acceptance of the final plans, instruments of service, or other deliverable documents and products by Owner shall not constitute nor be deemed a release of the responsibility and liability of Architect, its employees, associates, agents or consultants for the accuracy and competency of their designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by Owner for any defect in the designs, working drawings, specifications or other documents and work prepared by said Architect, its employees, associates, agents or subconsultants.

B. If at any time during the term of this Agreement, Architect shall fail to commence the Work in accordance with the provisions of this Agreement or fail to diligently provide services in an efficient, timely and careful manner and in strict accordance with the provisions of this Agreement or fail to use an adequate number of quality or quality of personnel to complete the Work or fail to perform any of its obligations under this Agreement, then Owner shall have the right, if Architect shall not cure any such default after thirty (30) days written notice thereof, to terminate this Agreement. Any such act by Owner shall not be deemed a waiver of any other right or remedy of Owner. If, after exercising any such remedy due to Architect's non-performance under this Agreement, the cost to Owner to complete the Work to be performed under this Agreement is in excess of that part of the Agreement sum which has not theretofore been paid to Architect hereunder, Architect shall be liable for and shall reimburse Owner for such excess.

C. Owner may deduct from any amounts due or to become due to Architect any sum or sums owing by Architect to Owner. In the event of any breach by Architect of any provision of this Agreement or in the event of any claim against Owner arising out of Architect's performance under this Agreement, Owner shall have the right to retain out of any payment due or to become due to Architect an amount determined by Owner to be sufficient to protect Owner from any and all loss, damage or expense therefrom, until the breach or claim has been satisfactorily remedied or adjusted by Architect.

ARTICLE 5. CONFIDENTIAL INFORMATION

Architect hereby acknowledges and agrees that its representatives may have access to or otherwise receive information during the furtherance of its obligations in accordance with this Agreement, which is of a confidential, non-public or proprietary nature. Architect shall treat any such information received in full confidence and will not disclose or appropriate such confidential information for its own use or the use of any third party at any time during or subsequent to this Agreement. As used herein, "confidential information" means all oral and written information concerning Owner, its affiliates and subsidiaries, and all oral and written information concerning Owner, or its activities, that is of a non-public, proprietary or confidential nature including, without limitation, information pertaining to customer lists, services, methods, processes and operating procedures, together with all analyses, compilation, studies, or other documents, whether prepared by Architect or others, which contain or otherwise reflect such information. The term "confidential information" shall not include such materials that are or become generally available to the public other than as a result of disclosure by Architect, or are required to be disclosed by a governmental authority under applicable law.

ARTICLE 6. INDEMNITY

Notwithstanding any other provision in the Contract Documents to the contrary:

- A. Architect shall defend, indemnify and hold harmless Owner, its City Council, officers, employees and agents from and against all citations, claims, costs, damages, demands, expenses, fines, judgments, losses, penalties or suits, which in any way arise out of, relate to, or result from the performance of the Work or which are caused by the intentional acts or negligent acts or omissions of Architect or its subcontractors, and any other third parties for whom or which Architect is legally responsible (the "Indemnified Items"). By way of example, the Indemnified Items may include personal injury and death claims and property damage claims, including those for loss of use of property. Indemnified Items shall include attorney's fees and costs of court, court costs, and settlement costs. Indemnified Items shall also include any expenses, including attorney's fees and expenses, incurred by an indemnified individual or entity in attempting to enforce this indemnity.
- B. In its sole discretion, the City shall have the right to approve counsel to be retained by Architect in fulfilling its obligation to defend and indemnify the City. Architect shall retain approved counsel for the City within seven (7) business days after receiving written notice from the City that it is invoking its right to indemnification under this Agreement. If Architect does not retain counsel for the City within the required time, then the City shall have the right to retain counsel and the Architect shall pay these attorney's fees and expenses. The City retains

the right to provide and pay for any and all costs of defending Indemnified Items, but it shall not be required to do so.

- C. The obligations set forth in this Article shall survive the expiration or termination of this Agreement.
- D. Architect shall cause all contracts for subcontracted services to include a like indemnity that shall cover both the Owner and Architect. Nothing herein shall limit the insurance requirements or applicability of same set forth in this Agreement and the Contract Documents.
- E. The above indemnity is a business understanding between the parties and applies to all different theories of recovery, including breach of contract or warranty, tort including negligence, statutory liability or any other cause of action (subject to the limitations in Texas Local Government Code, § 271.904(a) and Texas Civil Practice and Remedies Code, § 130.002(b)).

ARTICLE 7. MISCELLANEOUS

§7.1 Severability

If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceable provisions shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein; and it is the intention of the parties that in lieu of each provision that is found to be illegal, invalid, or unenforceable, the parties seek to reasonably negotiate a new provision to this Agreement which is legal, valid, and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

§7.2 Notice

Except as otherwise provided in this Agreement or the Contract Documents, all notices and other communications required or permitted to be given under this Agreement, shall be in writing, addressed to the parties at their respective addresses as provided below, and may be delivered in person, sent by overnight express mail or courier service, or by certified mail, postage prepaid, return receipt requested. The addresses of each party are as follows:

If to the Owner: City of Celina
City Manager
142 N. Ohio Street
Celina, Texas 75009

If to Architect: Gary DeVries, AIA
Brown Reynolds Watford Architects, Inc.
3535 Travis Street, Suite 250
Dallas, TX 75204

Each party may from time to time change its address for receipt of notices by sending notice thereof in the manner provided herein to the other party. Each notice given by certified mail shall be deemed delivered on the date of delivery as shown on the return receipt, or if delivery is attempted, at the last address specified and the notice is returned, notice shall be deemed

delivered on the date the notice was originally sent. Each notice delivered in any other manner shall be deemed delivered as of the time of actual receipt thereof. The parties acknowledge and agree to provide to the other party within seventy-two (72) hours of transmission such notice documents bearing the original signatures.

§7.3 Unsatisfactory Work

Nothing contained in this Agreement shall require Owner to pay for any work that is unsatisfactory as determined by Owner or which is not submitted in compliance with the terms of this Agreement, nor shall such failure to withhold payment pursuant to the provisions of this Section constitute a waiver of any right, at law or in equity, which Owner may have if Architect is in default, including the right to bring legal action for damages or for a specific performance of this Agreement.

§7.4 No Respondeat Superior

Architect will have exclusive control of and the exclusive right to control the details of the Work performed hereunder, and shall be liable for the acts and omissions of its officers, agents, employees, contractors, subcontractors and engineers, and the doctrine of *respondeat superior* shall not apply as between Owner and Architect, its officers, agents, employees, contractors, subcontractors and engineers, and nothing herein shall be construed as creating a partnership or joint enterprise between Owner and Architect.

§7.5 Conflict of Interest

Architect covenants and agrees that Architect and its associates and employees will have no interest, and will acquire no interest, either direct or indirect, which will conflict in any manner with the performance of the services called for under this Agreement. All activities, investigations and other efforts made by Architect pursuant to this Agreement will be conducted by employees, associates or subcontractors of Architect.

§7.6 Non-Waiver

The failure of either party to insist upon or enforce strict performance by the other party of any provision of this Agreement, or to exercise any right under this Agreement, shall not be construed as a waiver or relinquishment to any extent of any such party's right to assert or rely upon any such provision or right in that or any other instance, rather, the same shall be and remain in full force and effect.

§7.7 Signatures

The undersigned officers and/or agents of the parties hereto are the properly authorized persons and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary motions, resolutions or other act extending such authority have been duly passed and are now in full force and effect.

IN WITNESS WHEREOF, the parties execute below:

CITY OF CELINA, TEXAS

BROWN REYNOLDS WATFORD
ARCHITECTS, INC.

Jason Laumer, City Manager



Gary DeVries, AIA, Principal

Date: _____

Date: 8/8/18

Attachment: BRW FS 1&2 Contract MASTER (BRW Design Contract)

**BROWN REYNOLDS WATFORD
ARCHITECTS**


3535 TRAVIS STREET
SUITE 250
DALLAS, TEXAS 75204
214-528-8704
WWW.BRWARCH.COM

August 1, 2018

Paul DeBuff
Assistant to the City Manager
City of Celina
142 N. Ohio Street
Celina, TX 75009

**PROFESSIONAL SERVICES PROPOSAL FOR
CITY OF CELINA FIRE STATIONS NOs. 2 AND 3, PHASE 1**

Brown Reynolds Watford Architects is pleased to submit this professional services proposal for Fire Stations No. 2 and 3, phase 1. The project scope, along with our proposed team, scope of services, project schedule, and compensation are described below.

PROJECT SCOPE

This proposal is based on the conceptual project scope defined in the feasibility study that BRW is currently completing for the City of Celina for Fire Stations 2 and 3, phase 1 buildings and site development. The preliminary space program for phase 1 Fire Stations No. 2 and 3 is approximately 5,940 SF footprint / 6,500 SF with mezzanine, with 3 back-in apparatus bays and 6 beds. The City has confirmed that these buildings will be permitted under IBC 2012 code will not require ICC-500 compliant storm shelters. We understand that the Owner will allocate the following construction cost limits (CCL): \$2.88 million for Station 2 and \$2.75 million for Station 3. The final project scope will be as allowable within the budget.

The buildings will be pre-engineered metal construction with enhanced exterior finishes as similar to indicated in the study. The buildings will have an identical floor plan except that they will be mirror image of each other. Design of the stations will be identical except that exterior materials and elevation treatment may vary in order to respond to context and solar orientation. Foundation design may also be different if necessary due to differing geotechnical information.

We also understand the Owner intends to contract with a Construction Manager at Risk (CMaR) to construct the buildings and provide pre-construction cost estimating and scheduling services. The Architect will prepare one set of Contract Documents for concurrent bidding and construction of both phase 1 fire stations, in lieu of "fast-track" construction with multiple construction phases. The Drawings for fire stations 2 and 3 may or may not be separate volumes. There will be one specifications manual for both buildings and sites.

Attachment: BRW FS 1&2 Contract MASTER (BRW Design Contract)

PROJECT TEAM

Our proposed key personnel include the following:

- | | |
|--|--|
| <ul style="list-style-type: none"> BRW Architects, Inc. – Gary DeVries, AIA, LEED AP – Stephen Hilt, AIA | Architect and Landscape Architect
Principal
Director - Project Manager |
| <ul style="list-style-type: none"> Pacheco Koch Consulting Engineers (PKCE)
7557 Rambler Rd., Suite #1400
Dallas, TX 75231 – Clint Bissett, P.E. | Civil Engineering & Surveying

Project Manager |
| <ul style="list-style-type: none"> Jaster Quintanilla Engineering (JQ)
2105 Commerce St., Suite 200
Dallas, TX 75201 – Barry Krieger, P.E. | Structural Engineering

Principal |
| <ul style="list-style-type: none"> MEP Consulting Engineers (MEPCE)
2928 Story Rd W.
Irving, TX 75038 – Adam Nemati, P.E., LEED AP | Mechanical, Electrical, Plumbing
Engineering, Audio Visual, Security,
and Structured Cabling Design
Principal |
| <ul style="list-style-type: none"> David McCaskill Design Group (DMDG)
250 Miron Drive.
Southlake, TX 76092 – David McCaskill, RLA | Landscape Architect

Principal |

SCOPE OF SERVICES

Basic Services

- Architectural design.
- Interior design, including all interior finishes and lighting.
- Site signage at Light Farms
- Building signage and code-required interior room signage.
- Structural engineering, including structural design criteria and structured slab foundation design. Pre-Engineered framing and cold-formed framing shall be a performance specification. The A/E will coordinate design with a preferred or basis of design pre-engineered structure manufacturer. Basic services include one structured slab and foundation design based on the assumption that geotechnical recommendations will be sufficiently similar to allow economical use of the same design for the buildings at both sites. Refer to Additional Services for the eventuality that geotechnical recommendations may require two differing designs.

- Mechanical, electrical, and plumbing engineering, including mechanical HVAC and controls, electrical power and lighting, plumbing domestic water, sanitary, and gas. Fire sprinkler and fire alarm system shall be a performance specification.
- We expect the CMAA will produce construction cost estimates for the initial concept design, and all other subsequent submittals shown below, except for 100% Construction Documents:
- Anticipated submittals and Owner review meetings as shown below:
 - 100% Schematic Design
 - 50% Design Development
 - 100% Design Development
 - 50% Construction Documents
 - 95% Construction Documents
 - 100% Construction Documents (no Owner review meeting)
- Compliance with applicable codes and ordinances, including a pre-development meeting with Town departments related to site and building development.
- BRW will provide the Contractor with the Revit model (upon execution of BRW's liability waiver form) for their use in preparing shop drawing submittals. BRW will not prepare background drawings for the Contractor. BRW's consultants may provide Revit model or CAD drawings for use in preparing shop drawing submittals subject to their additional individual requirements for release of their electronic files.
- TDLR TAS (Texas Accessibility Standards) response to plan review comments. Also, coordination of the site inspection at the completion of construction. TDLR plan review and site inspection fees are included as a reimbursable expense.
- The design team has included the below number of site observation visits during construction to become generally familiar with the progress and quality of the work completed.

○ Architect	2 times per month average (concurrent trips for both sites)
○ Civil Engineer	6 times per site (12 total)
○ Structural Engineer	3 times per site (6 total)
○ MEP Engineer / AV / Security / Cabling	6 times per site (12 total)
○ Landscape Architect	3 times per site (6 total)
- One (1) City Council presentation, at a time as indicated by the Owner.

Additional Services

- Master Planning for Phase 2 Construction: The A/E will provide updates to the site master plans based on the previous study as may be required / determined in early design phase, including additional engineering review and coordination. Also included in this item is Site Plan and Development Plan submissions to include City requirements to indicate Phase 2 construction for the approval process, and which are anticipated to require additional Architectural and Civil drawings to indicate future work that will not be included in the set of Construction Drawings for Phase 1 construction.
- Civil engineering, including paving, grading, drainage, water and sanitary sewer plan, dimension control, and erosion control.

- Civil storm water quality management plan, if required, including required information regarding the site characteristics and water quality controls as well as instructions to the Owner regarding maintenance, inspection, and renewal criteria. If this is also desired to be a planted bioswale, there is additional design fee included for landscaping and bioswale design.
- Public sanitary sewer line extension design, as proposed per the site concept plan for Light Farms, to extend the public line from the Southeast to the Southwest corner of the site.
- Civil site storm water detention design for Sutton Fields.
- Street median cuts design at both stations, including design for the proposed left turn lane at Light Farms. (*flashing beacons and corner signalization controls design are an excluded service*).
- TxDOT coordination and permit submission for Sutton Fields storm water (as may likely be required to tie in the proposed detention pond with the highway drainage).
- Separate instrument utility easement exhibits (not incorporated into the plat).
- Landscape and irrigation design conforming to City zoning and landscape ordinances. We understand that in order to avoid plantings that will be destroyed in Phase 2 construction that landscaping planting other than turf is to be limited to the areas around the Phase 1 buildings, and perhaps also street trees if so required by planning. Irrigation may or may not include turf irrigation in the areas of Phase 2 construction.
- Site plan and landscape plan submittals to the Planning Department
- Second structural foundation design: The basic services includes one structured slab foundation design for both buildings, assuming that the geotechnical investigation will be sufficiently similar for one design to accommodate both buildings. In the event that geotechnical recommendations are not sufficiently similar for the same design other than mirrored buildings and pier depth, this item covers differing structural foundation design and subsoil preparation as required for the two sites.
- Structured cabling design:
 - Design of structured cabling (wiring) for telephone, data and cable TV systems that will extend throughout the facility, including wireless access point location drops throughout the facility based on locations identified by the Owner.
 - Exclusions: This work does not include design and specification of equipment or networking electronics (i.e., switches, routers, wireless access points, hubs, etc.) for telephone and computer systems. Also excludes design of interaction between systems with the future Phase 2 buildings, except for perhaps stub-out of empty conduit.
- Audio / visual cabling design:
 - Design of structured cabling (wiring) for limited A/V systems for teleconferencing in the Fire Stations' dayroom and/or multi-purpose room, and potential electronic signage panel(s) at the Light Farms monument sign.
 - Exclusions: Selection of A/V equipment, public address systems, and interaction between systems with the future Phase 2 buildings, except for perhaps providing stub-out of empty conduit.

- Video surveillance and access control cabling design:
 - Design of structured cabling for access control card readers and video surveillance cameras. Architect will coordinate with Owner's vendor and/or facilities department as applicable for card access at exterior doors and a total of 5 to 8 security cameras at each fire station site.
 - Exclusions: Selection of access control and video surveillance equipment. Also excludes intrusion detection (motion sensor) systems, and interaction of access control and video systems with the future Phase 2 buildings, except for perhaps providing stub-out of empty conduit.
- Fueling station design:
 - This item includes structural pad design, single diesel fueling tank (with or without DEF) system design based on Owner input and/or standards, coordination with preferred Owner vendor if applicable, and associated additional paving and site access design.
 - Not included in this item: Fueling canopy design or multiple (both gas and diesel) fuel tanks system design.
- Furniture and equipment selection:
 - BRW will select furnishings, ice machines, laundry machines, and kitchen appliances based on Owner input and review, and will prepare a pricing package for furniture and storage equipment. Scope will include up to two (2) meetings with Owner, a furnishing plan and schedule, working with one or two vendor(s) to select furnishings that will be purchased through TxMAS, Buy Board, US Communities or similar pre-negotiated government pricing. The Owner will solicit pricing and direct the furniture and equipment installation. The Architect will provide one punch list of deficient furniture installation.
 - As the Owner's option, major appliances may be Owner furnished and, where required, Contractor installed; or, included in the construction contract scope.
 - Exclusions: Preparation of a competitive bid package, pre-selected furniture options from different / multiple vendors, and bidding and negotiation phase services related to a competitive bid package.
- Two (2) public meetings with presentations to Sutton Fields and Light Farms homeowners' associations.
- Construction Administration services provided beyond ninety (90) calendar days after the Substantial Completion date established in the original Construction Contract. In such cases, the Architect shall receive a monthly lump sum Additional Services fee equal to the Architect's construction phase services fee divided by the total number of construction months in the original Construction Contract.

Owner-Provided Services

The Owner shall furnish the following design services or building systems or authorize the Architect to furnish them as Additional Services, when such services are required to complete the project or desired by the Owner.

- Geotechnical investigation / report, including all recommendations as required for complete structural, civil, and below slab plumbing design.

- Laboratory construction materials testing / inspections (during construction), including any abatement of hazardous materials.
- 2015 International Energy Conservation Code, Section C408 required building commissioning, and third-party inspections as may be required. Systems to be commissioned / inspected are anticipated to include:
 - Lighting controls and daylighting controls.
 - Plumbing service hot water systems.
 - Envelope / insulation.
- Site environmental surveys, assessments, and remediation (if required).
- Property zoning changes or creation/modification of PDs or SUPs.
- Public right-of-way improvements, including road and utility design, other than median work and Light Farms' sanitary sewer extension that are specifically mentioned in additional services above.
- Traffic studies and traffic signals, if required.
- Computer, telephone, A/V, UPS, access control, video surveillance, fire radio and antenna equipment selection and procurement. (A/E shall indicate electrical power and empty conduit as directed by the Owner, or by Owner's selected vendor, for these systems).
- Owner will designate a fueling system vendor for the A/E to coordinate with, if any particular system or standards are applicable to the Owner's needs. Otherwise, the fueling system will use a basis of design product or performance specification as selected by the A/E.

Exclusions from A/E Team's Services

The below services are not anticipated at this time, however, the Architect could provide them as Additional Services, if required to complete the project or desired by the Owner.

- Topographic and other surveying services: *Required survey work is a separate BRW early services contract. In the event that all necessary survey work was not incorporated into the separate contract, the A/E will provide an additional services proposal for surveying.*
- Preliminary and Final Plats (*These are included in a separate BRW early services contract*)
- Storm water pollution prevention plan (SWPPP).
- Subsurface utility profiling.
- Subsurface utility engineering (SUE).
- Engineering design for new or relocation of public water mains.
- Flood plain analysis (A/E design will avoid need for such where possible).
- TxDOT coordination / permit submissions other than storm water for Sutton Fields as indicated in additional services above. (*Based on preliminary assessment and the previous study concept site plans, and the Pacheco Koch's previous experience, the A/E does not anticipate that TxDOT is likely to require any other additional submissions for Phase 1 construction*).
- Underfloor and building perimeter drainage systems.
- Trench safety design.
- Storm shelter design.

- Fueling canopy system design.
- Threatened and endangered species habitat assessment.
- Fountain or water feature design.
- Detention or retention design for Station 2, and retention pond design for Station 3.
- Site retaining wall structural design
- Site masonry walls design (*per study discussion, none are anticipated*)
- Food service consulting. (*design of a Type 1 kitchen hood, if required, is included in Basic Services. The kitchen is presumed not to be considered a commercial kitchen nor to require other food service design, nor health department permit or inspection*).
- Leadership in Energy and Environmental Design (LEED), or other green building certification program, design, registration and certification.
- Energy modeling, utility bill estimates and life cycle cost analysis (LCCA). (*Comcheck / prescriptive model IECC compliance path is included in Basic Services*).
- Coordination of public artwork.
- Preparation or assistance with multiple or fast track drawing/bid packages.
- Enhanced photo-quality architectural renderings and architectural models, beyond those in-house renderings listed herein.
- Construction site observation visits beyond the number listed herein.
- Preparation of electronic record drawings (*CMAr anticipated to provide annotated set of construction documents noting field changes*)
- Design services related to the future Phase 2 buildings, other than using the Site Master Plan for each site that was developed for the previous Feasibility Study to inform site development decisions for Phase 1 construction; and inclusion of a generic site plan based on the study Master Plan indicating the future area of construction as may be required for a site plan review package submission to the Planning Department.

COST OF THE WORK (CMAr)

For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include the Construction Managers' general conditions costs, overhead, and profit. The Cost of the Work does not include the compensation of the Architect, the compensation of the Construction Manager for Preconstruction Phase services, the costs of the land, rights-of-way, financing, contingencies for changes in the Work or other costs that are the responsibility of the Owner.

The Owner shall require the Construction Manager to include appropriate contingencies for design, bidding or negotiating, price escalation, and market conditions in estimates of the Cost of the Work. The Architect shall be entitled to rely on the accuracy and completeness of estimates of the Cost of the Work the Construction Manager prepares as the Architect progresses with its Basic Services. The Architect shall prepare, as an Additional Service, revisions to the Drawings, Specifications or other documents required due to the Construction Manager's inaccuracies or incompleteness in preparing cost estimates. The Architect may review the Construction Manager's estimates solely for the Architect's guidance in completion of its services, however, the Architect shall report to the Owner any material inaccuracies and inconsistencies noted during any such review.

If at any time the Construction Manager's estimate of the Cost of the Work exceeds the Owner's budget for the Cost of the Work, the Architect shall make appropriate recommendations to the owner to adjust the Project's size, quality or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments. Notwithstanding any provision herein to the contrary, this provision does not guarantee or authorize any automatic adjustment to the Cost of the Work, and the Owner's decision on any adjustment shall be final.

If the Construction Manager's estimate of the Cost of the Work at the conclusion of the Design Development Phase exceeds the Owner's budget for the Cost of the Work, the Owner shall:

1. give written approval of an increase in the budget for the Cost of the Work;
2. in consultation with the Architect and Construction Manager, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or
3. implement any other mutually acceptable alternative.

If the Owner chooses to proceed under Item 2 above, the Architect, without additional compensation, shall incorporate the required modifications in the Construction Documents Phase as necessary to comply with the Owner's budget for the Cost of the Work. The Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility as Basic Services.

After incorporation of the above modifications under Item 2 above at the completion of Design Development, the Architect shall, as an Additional Service, make any required revisions to the Drawings, Specifications or other documents necessitated by the Construction Manager's subsequent cost estimates, the Guaranteed Maximum Price proposal, or Control Estimate that exceed the Owner's budget for the Cost of the Work, except when the excess is due to changes initiated by the Architect in scope, basic systems, or the kinds and quality of materials, finishes or equipment.

Notwithstanding any provision herein to the contrary, this does not guarantee or authorize the Owner's automatic adjustment of the Cost of the Work, and the Owner's decision on any adjustments shall be final.

PROJECT SCHEDULE

We anticipate the following time periods for the project phases, excluding the Owner's review time, or any pauses for scope to budget alignment pricing by the CMaR should such become necessary.

Phase	Duration	Preliminary Dates
• Schematic Design	6 weeks	8/15/18 – 9/11/18
• Design Development	6 weeks	9/12/18- 11/1/18
• Construction Documents	12 weeks	11/2/18 – 1/24/19
• CMaR Pricing, GMP Negotiations, Contract Award	4-8 weeks	1/25/19 – March 2019
• Construction	9-10 months	April 2019 – Jan. 2020

COMPENSATION

Based on the scope of services described above, Brown Reynolds Watford Architects proposes the lump sum fees, plus reimbursable expenses, as described below.

Basic Services Fee for Architectural, Structural and MEP Services **\$480,250**

Additional Services Fees (items including both stations together)

• Master planning services	\$15,000
• Separate instrument easement exhibits, if required (up to 4 at \$2,500 each)	\$10,000
• Landscape and irrigation design	\$15,000
• Second structural foundation design	\$5,500
• Structured cabling	\$7,500
• Audio / visual cabling	\$3,500
• Access control and video surveillance cabling	\$3,500
• Fueling system design (for one site only, of Owner's selection)	\$5,000
• Furniture and equipment selection package	\$20,000
• Public meetings (2)	\$2,500

Additional Service Fees specifically for Station 2 - Light Farms

• Civil engineering, Station 2	\$49,000
• Storm water quality management plan, if required	\$4,000
◦ Additional SWQM for bioswale design with plantings	\$2,000
• Public sewer main extension design	\$4,500
• Off-site median improvements design	\$7,000

Additional Services Fees specifically for Station 3 – Sutton Fields

• Civil engineering, Station 3	\$56,000
• Storm water quality management plan, if required	\$4,000
◦ Additional SWQM for bioswale design with plantings	\$2,000
• Civil storm water detention pond / plan	\$2,500
• TxDOT storm water coordination for storm water, if required	\$3,500
• Off-site median improvements design	\$6,000

Total Additional Services Fees	\$228,000
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Reimbursable Expenses Allowance	\$25,000
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Total Contract Amount	\$733,250
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Sales tax is applicable to certain Civil Engineering survey services included in this proposal and the fees indicated do not include sales tax based on the assumption that the City is sales tax exempt and will provide tax exempt certification to the A/E prior to the time that services are performed in order to avoid sales tax charges. If tax exempt certification is not provided, or not provided in time, then additional sales taxes will apply and be paid by Owner, at the same rate as the Civil Engineer pays related to these services.

Reimbursable expenses shall be marked up 10% the amount billed the Architect as a handling fee and shall include, but not be limited to, document reproduction and mounting drawings, local and overnight deliveries, TAS plan reviews and site inspections, government fees and travel outside the DFW area. This proposal is based on electronic conveyance of bid documents and Contractor submittals.

Compensation shall be invoiced monthly based on the percent complete for each phase, but shall not exceed the percentages shown below:

• Schematic Design	15%
• Design Development	20%
• Construction Documents	35%
• Bidding	5%
• <u>Construction Administration</u>	<u>25%</u>
Total	100%

Modifications to the project scope or professional services beyond this proposal shall be authorized in writing by the Owner and be compensated at the hourly rates listed below or for a negotiated lump sum fee. Consultant Additional Services shall be invoiced at 1.10 times the amount billed the Architect.

BRW Architects (BRW)

• Principal	\$240.00 per hour
• Project Director	\$200.00 per hour
• Project Manager	\$175.00 per hour
• Project Architect	\$140.00 per hour
• Architect	\$120.00 per hour
• Intern Architect I	\$90.00 per hour
• Intern Architect II	\$75.00 per hour
• Administration Staff	\$70.00 per hour

Pacheco Koch Consulting Engineers (PKCE)

• Principal	\$225.00 per hour
• Associate Principal	\$190.00 per hour
• Senior Project Manager	\$140.00 per hour
• Senior Project Coordinator	\$140.00 per hour
• Project Manager	\$120.00 per hour
• Project Coordinator	\$120.00 per hour
• Project Engineer	\$95.00 per hour
• Senior Technician	\$110.00 per hour
• Design Technician	\$80.00 per hour
• Technician	\$75.00 per hour

Paul DeBuff
Professional Services Proposal

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- Research Manager \$70.00 per hour
- Technical Assistant \$50.00 per hour
- Senior Administrative Assistant \$80.00 per hour
- Administrative Assistant \$70.00 per hour

Jaster Quintanilla (JQ)

- Partner \$240.00 per hour
- Principal \$210.00 per hour
- Senior Project Manager \$175.00 per hour
- Engineering Technical Lead \$190.00 per hour
- Project Manager \$155.00 per hour
- Senior Project Engineer \$135.00 per hour
- Project Engineer \$120.00 per hour
- Senior Technician \$110.00 per hour

MEP Consulting Engineers (MEPCE)

- Principal \$205.00 per hour
- Project Manager \$160.00 per hour
- Senior Engineer \$145.00 per hour
- Project Engineer \$130.00 per hour
- Engineer \$120.00 per hour
- Senior Designer \$100.00 per hour
- Engineer Intern \$90.00 per hour
- Designer \$85.00 per hour
- CADD Operator \$75.00 per hour
- Technical Typist \$65.00 per hour

David McCaskill Design Group (DMDG)

- Principal \$160.00 per hour
- Senior Landscape Architect \$120.00 per hour
- Graduate Landscape Architect \$80.00 per hour
- Clerical \$60.00 per hour

We hope this proposal meets your expectations. We look forward to continuing our work with the City of Celina.

BROWN REYNOLDS WATFORD ARCHITECTS, INC.



GARY DeVRIES, AIA
PRINCIPAL

Attachment: BRW FS 1&2 Contract MASTER (BRW Design Contract)

AIA[®] Document A201[™] – 2007

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address)

City of Celina Fire Stations Nos 2, 3 and 4

THE OWNER:

(Name, legal status and address)

City of Celina

142 N Ohio Street

Celina, TX 75009

THE ARCHITECT:

(Name, legal status and address)

BRW Architects

3535 Travis Street, Suite 250

Dallas, TX 75204

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

In the interest of brevity the Contract Documents frequently omit modifying words such as “all” and “any” and articles such as “the” and “an,” but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 The Architect and the Architect’s consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect’s or Architect’s consultants’ reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect’s consultants.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner’s approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term “Owner” means the Owner or the Owner’s authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic’s lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner’s interest therein.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner’s obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner’s ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any loss or damage arising solely from those Owner-required means, methods, techniques, sequences or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 **Concealed or Unknown Conditions.** If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct,

but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1 Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to the proposed superintendent or (2) that the Architect requires additional time to review. Failure of the Architect to reply within the 14 day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect's approval. The Architect's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

Attachment: BRW FS 1&2 Contract MASTER (BRW Design Contract)

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled

to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.13 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce

other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the

Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term “Sub-subcontractor” is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a separate contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a separate contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

- .1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
- .2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 MINOR CHANGES IN THE WORK

The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control; or by delay authorized by the Owner pending mediation and arbitration; or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.2 SCHEDULE OF VALUES

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor

shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.3.1.5 and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a

bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable,

and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

§ 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- .1 Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
- .2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- .3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- .4 Claims for damages insured by usual personal injury liability coverage;
- .5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- .6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- .7 Claims for bodily injury or property damage arising out of completed operations; and
- .8 Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.3 PROPERTY INSURANCE

§ 11.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project.

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

§ 11.3.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance that will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.3.1.3 If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE

The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.3.3 LOSS OF USE INSURANCE

The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused.

§ 11.3.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final

payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 11.3.7 WAIVERS OF SUBROGATION

The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the Owner as fiduciary shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the arbitrators.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary

by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 13.7.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency that requires all Work to be stopped;
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 The Owner has failed to furnish to the Contractor promptly, upon the Contractor's request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Initial Decision Maker that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 CLAIMS

§ 15.1.1 DEFINITION

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 15.1.2 NOTICE OF CLAIMS

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.6 shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION

§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 CONSOLIDATION OR JOINDER

§ 15.4.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Contractor under this Agreement.



THE CITY OF CELINA, TEXAS

SUPPLEMENTARY CONDITIONS TO AIA DOCUMENTS B101-2007 AND A201-2007

These Supplementary Conditions are incorporated into the Architectural Services Agreement between Brown Reynolds Watford Architects, Inc. (“Architect”) and the CITY OF CELINA, TEXAS (“City” or “Owner”), dated August 1, 2018. The following terms and conditions supplement and modify the “Standard Form of Agreement Between Owner and Architect,” AIA Document B101-2007, and the “General Conditions of the Contract for Construction,” AIA Document A201-2007, which is incorporated by reference in AIA Document B101-2007. Where a portion of AIA Documents B101-2007 or A201-2007 are modified or deleted by these Supplementary Conditions, the unaltered portions of AIA Documents B101-2007 or A201-2007 shall remain in effect.

SUPPLEMENTARY CONDITIONS TO AIA DOCUMENT B101-2007

ARTICLE 1 INITIAL INFORMATION

§1.3 In the second line, replace “shall appropriately” with “may.”

ARTICLE 2 ARCHITECT’S RESPONSIBILITIES

§2.2 Add at the end of the section, “and, in any event, in accordance with such schedule as is specified in this Agreement.”

§2.3 Add at the end of the section: “If at any time after entering into this Agreement, the City has any objection to the Architect’s representative or to any of Architect’s personnel, or any objection to any personnel of consultants retained by Architect and assigned to the Project, Architect shall promptly propose substitutes to whom the City has no objection.”

§2.4 Delete from the second line “reasonably appear to.”

§2.5 Delete second sentence. Add the following regarding types and limits of insurance coverage:

The Architect shall, at its own expense, procure, pay for and maintain during the term of this Agreement the following insurance written by companies approved by the State of Texas and acceptable to Owner. The Architect shall furnish to the Owner certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, and expiration dates in compliance with all applicable required provisions.

.1 General Liability: Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$1,000,000.00 per occurrence, \$1,000,000.00 Products/Completed Operations Aggregate, and \$1,000,000.00 General Aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.

.2 Automobile Liability: Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,000,000.00 per occurrence.

.3 Worker's Compensation: Worker's Compensation insurance with statutory limits; and Employer's Liability coverage with minimum limits for bodily injury: (a) by accident, \$100,000.00 each accident, and (b) by disease, \$100,000.00 per employee, with a per policy aggregate of \$500,000.00.

.4 Professional Liability: Professional Liability insurance to provide coverage against any claim which the Architect and all consultants engaged or employed by the Architect become legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$2,000,000.00 per claim, \$2,000,000.00 annual aggregate.

If the insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than thirty-six (36) months following completion of this Agreement and acceptance by Owner.

With reference to the foregoing required insurance, the Architect shall endorse applicable insurance policies as follows: (1) a waiver of subrogation in favor of Owner, its officials, employees and officers shall be contained in the Workers' Compensation insurance policy; (2) the Owner, its officials, employees and officers shall be named as additional insureds on the Commercial General Liability policy, by using endorsement CG2026 or broader; and (3) all insurance policies shall be endorsed to the effect that Owner will receive at least thirty (30) days notice prior to cancellation, non-renewal, termination, or a material change of the policies. All insurance shall be purchased from an insurance company that meets a financial rating of B+IV or better as assigned by A. M. Best Company or equivalent.

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

§3.1.3 In the sixth line, delete "except for reasonable cause." In the seventh line, replace "shall" with "may."

§3.1.4 Add at the end of the section, "which approval shall not be unreasonably withheld."

§3.1.7 Add this new subsection, to read as follows: "Architect shall provide Owner copies of all consultant agreements who perform Work on the Project. Owner approval of all consultants performing Mechanical/Equipment/Plumbing work, Civil Engineering work, Electrical Engineering work, Structural Engineering work, and Landscape Architecture work is required."

§3.1.8 Add this new subsection, to read as follows: “Architect shall coordinate with Owner the establishment and identification of benchmark(s)/datum elevation(s) for use on the Project. Architect shall be responsible for coordinating and providing accurate and complete benchmark information to all contractors during construction of the Project.

§3.6 CONSTRUCTION PHASE SERVICES

§3.6.1.2 In the sixth line, delete “negligent.”

§3.6.2.1 In the sixth line, delete “reasonably.”

§3.6.2.3 Delete from the end of the section, “or otherwise with reasonable promptness.”

§3.6.2.4 Replace the second sentence with the following sentence, “When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, and shall not show partiality to either, and shall not be liable for Contractor’s performance of interpretations or decisions.”

§3.6.4.4 Replace the fourth sentence with the following, “The Architect’s response to such requests shall be made in writing within forty-eight (48) hours of receipt.”

§3.6.6.5 Add the following at the end of the section, “Said meeting shall occur at the facility during the eleventh (11th) month after the date of Substantial Completion.

ARTICLE 4 ADDITIONAL SERVICES

§4.2 Add the following: “If additional design sets of drawings provided hereunder are required, Architect shall provide same over and above the number of design sets already provided as part of Architect’s Work under this Agreement. Architect shall be paid by Owner for each additional design set of drawings over and above the number of sets provided as part of this Agreement, in the agreed upon amounts per set as stated in the scope of work.”

§4.3.1.1 Add at the end of the subsection, “except pursuant to §1.3.”

§4.3.1.4 Delete the subsection and replace with the following, “Services necessitated by decisions or any other failure of performance on the part of the Owner’s consultants or contractors;”.

§4.3.1.5 Delete this subsection.

§4.3.1.6 Delete this subsection.

§4.3.1.7 Delete this subsection.

§4.3.1.8 Delete this subsection.

§4.3.1.9 Delete this subsection.

§4.3.1.10 Replace “cause” with “casualty.”

§4.3.2.3 Delete this subsection.

§4.3.2.4 Delete this subsection.

§4.3.2.6 Replace “60” with “90.”

§4.3.4 In the last line, replace “shall” with “may.”

ARTICLE 5 OWNER’S RESPONSIBILITIES

§5.2 Add in the first line, after the word “update” the following: “the Architect regarding.”

§5.4 Replace “Owner” with “Architect.”

§5.6 In the third line, replace “shall” with “may.”

ARTICLE 6 COST OF THE WORK – Delete this article. Refer to BRW’s Proposal, dated August 1, 2018.

ARTICLE 7 COPYRIGHTS AND LICENSES

§§7.1, 7.2, 7.3, 7.3.1, and 7.4 Delete these sections and replace with the following:

“All materials, documents and ‘Instruments of Service’ prepared or assembled by the Architect under this Agreement shall become the sole property of the Owner and shall be delivered to the Owner without restriction on future use. The Architect may retain in its files copies of all drawings, specifications and other pertinent information for the work. The Architect shall have no liability for changes made to any materials or other documents by others subsequent to the completion of this Agreement.”

ARTICLE 8 CLAIMS AND DISPUTES

§8.1 GENERAL

§8.1.1 Delete the following phrase from the third and fourth lines of the first sentence: “. . . but in any case not more than 10 years after the date of Substantial Completion of the Work.”

§8.1.2 Delete this section.

§8.1.3 Delete this section.

§8.2 MEDIATION

§8.2.1 Delete the second sentence of this section.

§8.2.2 Delete the first sentence of this section, and replace with the following sentence: “The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them first, informally and, second, by mediation.” Delete the last sentence of

this section, and replace with the following: “The parties shall have fifteen (15) days after receipt of a request for mediation to agree on a mediator. If the parties are unable to agree on a mediator within fifteen (15) days, each party shall have an additional five (5) days to designate a mediator. The two mediators so designated shall then designate a third unbiased mediator who shall be the mediator to conduct the mediation. The decision of the mediator shall be non-binding.

§8.2.4 Select the box “Litigation in a court of competent jurisdiction.”

§8.3 ARBITRATION

Delete this section. It is understood and agreed that arbitration is not agreed to as a dispute resolution method under this Agreement.

ARTICLE 9 TERMINATION OR SUSPENSION

§9.1 In the fourth line, replace “seven days” with “ten days.” Replace the last sentence with the following: “Before resuming services, the Architect shall be paid all sums due prior to suspension.”

§9.2 In the second and fourth lines, replace “shall” with “may.”

§9.3 In the second line, replace “seven days” with “thirty days.”

§9.4 In the first line, replace “seven days” with “thirty days.”

§9.5 In the first line, replace “seven days” with “thirty days.”

§9.6 Delete this section and insert the following: “In the event of termination that is not the fault of the Architect, the Architect shall be compensated for services performed prior to termination.”

§9.7 Delete this section.

ARTICLE 10 MISCELLANEOUS PROVISIONS

§10.1 Delete this section and replace with the following: “This Agreement shall be governed by the law of the State of Texas, and venue for any dispute shall be in any court of competent jurisdiction in Collin County, Texas.”

§10.3 Add “prior” before “written” in the second line of this section. Put a period after the word “other” in the third line, and delete the remaining language from the last two lines of this section.

ARTICLE 11 COMPENSATION

§11.8 COMPENSATION FOR REIMBURSABLE EXPENSES

§11.8.1 Delete this section.

§11.8.2 Delete this section.

§11.9 COMPENSATION FOR USE OF ARCHITECT'S INSTRUMENTS OF SERVICE

Delete this section.

§11.10 PAYMENTS TO THE ARCHITECT

§11.10.3 Delete this section.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Add: "City of Celina, Texas Architectural Services Agreement; and these Supplementary Conditions."

ARTICLE 13 SCOPE OF THE AGREEMENT

§13.2.3 Add: "City of Celina, Texas Architectural Services Agreement and contract documents referenced therein, and the order of precedence provisions stated therein."

SUPPLEMENTARY CONDITIONS TO AIA DOCUMENT A201-2007

ARTICLE 1 GENERAL PROVISIONS

§1.1 BASIC DEFINITIONS

§1.1.1 Add as a new second sentence, the following: "When used herein, the term "Contract" or "Agreement" means Agreement between the Architect and Owner, and all Contract Documents that form a part of or are included in such Agreement. Except where expressly stated otherwise, the term "Contractor" means "Architect." Delete subparts 3 and 4 from this section.

§1.1.2 In the first line, replace "Contract for Construction" with "Agreement between Owner and Architect." Delete subparts 3 and 4 from this section.

§1.1.3 Delete the words "construction and" from the first line of this section.

§1.1.8 Place a period after the word "claims" and delete the remainder of this section.

§1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§1.5.1 Delete the first sentence of this section.

§1.5.2 Delete the last two sentences of this section.

ARTICLE 2 OWNER

§2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§2.2.1 Delete this section.

§2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

Delete from the sixth line, “and compensation for the Architect’s additional services.”
Delete the third sentence of this section.

ARTICLE 3 CONTRACTOR

§3.1 GENERAL

§3.1.3 Delete from the second line of this section, “either by activities or duties of the Architect in the Architect’s administration of the Contract, or.”

3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§3.2.2 Replace “Architect” with “Owner” in the seventh and eighth lines of this section. Delete the last sentence of this section.

§3.2.3 Replace “Architect” with “Owner” in the third and fourth lines of this section.

§3.2.4 Replace “Architect” with “Owner” in the second and sixth lines of this section. Replace “Article 15” with “the Contract Documents” in the third line of this section.

§3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§3.3.1 Delete “and Architect” from the ninth line, and replace “Architect” with “Owner” in the tenth line of this section.

§3.4 LABOR AND MATERIALS

§3.4.2 Replace “Architect” with “Owner” in the first and third lines of this section.

§3.5 WARRANTY

Delete “and Architect” from the first line of this section, and replace “Architect” with “Owner” in the last line of this section.

§3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§3.7.4 Delete “and the Architect” from the fifth line of this section, and replace “Architect” with “Owner” in the sixth, ninth, tenth and eleventh lines of this section. Delete “Owner and” from the eleventh line of this section, and replace “Article 15” with “the Contract Documents” in the last line of this section.

§3.7.5 Replace “Article 15” with “the Contract Documents” in the last line of this section.

§3.9 SUPERINTENDENT

§3.9.2 Delete “through the Architect” in the second line of this section. Replace “Architect” with “Owner” in the second and fourth lines of this section. Delete “or the Architect” from the third line of this section.

§3.9.3 Delete “or Architect” from the first line of this section.

§3.10 CONTRACTOR’S CONSTRUCTION SCHEDULES

§3.10.1 Delete “and Architect’s” from the first and second lines of this section.

§3.10.2 Delete “Architect” and replace with “Owner” in the second, third and fourth lines of this section.

§3.10.3 Delete “and Architect” from the second line of this section.

§3.11 Delete the last sentence of this section.

§3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§3.12.4 Replace “Architect” with “Owner” in the fourth and fifth lines of this section.

§3.12.5 Replace “Architect” with “Owner” in the second and third lines of this section.

§3.12.6 Delete “and Architect” from the second line of this section.

§3.12.8 Replace “Architect” with “Owner” in the second, third, fourth and seventh lines of this section.

§3.12.9 Replace “Architect” with “Owner” in the second and third lines of this section.

§3.12.10 Delete “and the Architect” from the seventh and twelfth lines of this section. Replace “Architect” with “Owner” in the twelfth and fifteenth lines of this section. Replace “and Architect have” with “has” in the fourteenth line of this section.

§3.16 ACCESS TO WORK

Delete “and Architect” from this section.

§3.17 ROYALTIES, PATENTS AND COPYRIGHTS

Delete “and Architect” from the second line of this section, and delete “or Architect” from the fifth line of this section. Replace “Architect” with “Owner” in the last line of this section.

§3.18 INDEMNIFICATION

§3.18.1 Delete this section.

§3.18.2 Replace “Section 3.18” with “Agreement” in this first line of this section. Replace “Section 3.18.1” with “this Agreement” in the third line of this section.

ARTICLE 4 ARCHITECT

§4.2 ADMINISTRATION OF THE CONTRACT

§4.2.8 Place a period after “Directives” in the first line and delete the remainder of the section.

§4.2.12 Add at the end of the section, “except as otherwise set forth in the Contract Documents.”

§4.2.14 Replace the second sentence with the following, “The Architect’s response to such requests shall be made in writing within forty-eight (48) hours of receipt.”

ARTICLE 5 SUBCONTRACTORS

§5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§5.2.3 Replace “shall” with “may” in the third line of this section.

§5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§5.4.2 Replace “shall” with “may” in the second line of this section.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§6.2 MUTUAL RESPONSIBILITY

§6.2.3 Delete the second sentence of this section.

§6.3 OWNER’S RIGHT TO CLEAN UP

Replace “Architect” with “Owner” in the last line of the section.

ARTICLE 8 TIME

§8.1 DEFINITIONS

§8.1.1 Delete “Substantial” from the second line of this section.

§8.1.3 Delete “Substantial” from this section, replace “Architect” with “Owner,” put a period after the word “Owner,” and delete the remainder of this section.

§8.2 PROGRESS AND COMPLETION

§8.2.3 Delete “Substantial” from this section.

§8.3 DELAYS AND EXTENSIONS OF TIME

§8.3.1 Delete “or Architect” from the second line of this section. Replace “Architect” with “Owner” in the fifth line of this section, replace “shall” with “may” in the fifth line of this section, place a period after the word “extended” in the fifth line of this section, and delete the remainder of the section.

§8.3.2 Replace “Article 15” with “the Contract Documents” in this section.

ARTICLE 9 PAYMENTS AND COMPLETION

§9.2 SCHEDULE OF VALUES

Replace “Architect” with “Owner” in the second and fourth lines of this section.

§9.3 APPLICATIONS FOR PAYMENT

§9.3.1 Replace “Architect” with “Owner” in the second and fourth lines of this section.

§9.7 FAILURE OF PAYMENT

Delete entire section.

§9.9 PARTIAL OCCUPANCY OR USE

§9.9.1 Place a period after the word “Contractor” in the last line of the section, and delete the rest of the section.

§9.10 FINAL COMPLETION AND FINAL PAYMENT

§9.10.1 Replace “Architect” with “Owner and Architect” in the second, third, fourth, fifth and seventh lines of this section.

§9.10.2 Replace “Architect” with “Owner” in the second line of this section.

§9.10.3 Delete the first sentence and replace with the following: “If final completion of the Work is materially delayed through no fault of the Architect, and the Owner so confirms, the Owner shall, upon application by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted.” Replace “Architect” with “Owner” in the seventh line of this section.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§10.2 SAFETY OF PERSONS AND PROPERTY

§10.2.5 Delete “or Architect” from the fifth line of this section, and replace “either of them” with “Owner” in both places in the sixth line of this section.

§10.2.6 Delete “and Architect” from the last line of this section.

§10.3 HAZARDOUS MATERIALS

§10.3.1 Delete “and Architect” from the last line of this section.

§10.3.2 Delete “and Architect” from the fourth line of this section, and delete “and the Architect” from the sixth and seventh lines of this section. Delete “or Architect” from the ninth line of this section, and replace “and Architect have” with “has” in the ninth line of this section. In the eleventh line, replace “shall” with “may.”

§10.3.3 Delete this section.

§10.3.6 Delete this section.

§10.4 EMERGENGIES

Replace “shall” with “may” in the last line of this section.

ARTICLE 11 INSURANCE AND BONDS

§11.1 CONTRACTOR’S LIABILITY INSURANCE

§11.1.4 Delete “the Architect and the Architect’s consultants” from the second line of this section, and replace “insureds” with “insured” in the second line of this section.

§11.3 PROPERTY INSURANCE

§11.3.1.1 Delete “Architect’s and” from the fifth line of this section.

§11.3.3 Delete the last sentence of this section.

§11.3.9 Delete this section.

§11.3.10 Delete the last sentence of this section.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§12.1 UNCOVERING WORK

§12.1.1 Delete this section.

§12.1.2 Delete this section.

§12.1 CORRECTION OF WORK

§12.2.1 Replace “Architect” with “Owner” in the first line of this section. Delete “Substantial” from the second line of this section, and replace “Architect’s services and” with “Owner’s” in the fourth line of this section.

§12.2.2.1 Delete “Substantial” from the second line of this section.

§12.2.2.2 Delete “Substantial” from the second line of this section.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§13.1 GOVERNING LAW

Delete this section.

§13.4 RIGHTS AND REMEDIES

§13.4.2 Delete “Architect” from the first line of this section.

§13.5 TESTS AND INSPECTIONS

§13.5.1 Replace “Architect” with “Owner” in the fifth and sixth lines of this section.

§13.5.2 Replace “Architect” with “Owner” in the second, fourth and fifth lines of this section. Delete “Architect” from the first line of this section, and delete “upon written authorization from the Owner” from the second and third lines of this section.

§13.5.3 Replace “Architect’s” with “Owner’s” in the third line of this section.

§13.5.4 Replace “Architect” with “Owner” in the last line of this section.

§13.5.5 Replace “Architect” with “Owner” in the first and second lines of this subsection.

§13.6 INTEREST

Delete this section.

§13.7 TIME LIMITS ON CLAIMS

Place a period after the word “law” in the third line of this section, and delete the remainder of this sentence.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

Delete this section.

ARTICLE 15 CLAIMS AND DISPUTES

Delete this section.



Public Works
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Alan Fourmentin, Director of Public Works
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: UTRWD Contract Amendment

Action Requested:

Consider and act to authorize and execute a contract amendment between the City of Celina and Upper Trinity Regional Water District for regional wastewater treatment capacity at the Doe Branch Reclamation Facility. (Fourmentin)

Background Information:

Continued growth within Celina's service area is causing an increase in Wastewater flow and is creating a need for additional wastewater treatment service. To accommodate an expected increase in Wastewater flow and to provide the treatment capacity desired by Celina and other participants in the Doe Branch Plant, Upper Trinity Regional Water District will expand the treatment capacity of the Doe Branch Plant from 2.0 to 4.0 million gallons per day. This amendment will increase Celina's subscribed capacity in the Doe Branch Plant from 0.665 MGD to 1.385 MGD (an additional 0.72 MGD of capacity).

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Attorney has reviewed

Supporting Documents:

Contract

Staff Recommendation:

Approve

**UPPER TRINITY REGIONAL WATER DISTRICT
NORTHEAST REGIONAL WATER RECLAMATION SYSTEM**

**AMENDMENT TO
PARTICIPATING MEMBER CONTRACT
WITH
CITY OF CELINA**

**THE STATE OF TEXAS §
 §
COUNTY OF DENTON §**

This **AMENDMENT** (the "Amendment") to the **NORTHEAST REGIONAL WATER RECLAMATION SYSTEM CONTRACT** is made and entered into this _____ day of _____, 2018 ("Effective Date"), by and between **UPPER TRINITY REGIONAL WATER DISTRICT** (the "District"), and **CITY OF CELINA** ("Celina"), to amend the Participating Member Contract dated December 7, 2006, as amended, (the "Contract"), which Contract provides for Celina to participate in the District's Doe Branch Water Reclamation Plant ("Doe Branch Plant") of the Northeast Regional Water Reclamation ("System").

WITNESSETH:

WHEREAS, continued growth within Celina's service area is causing an increase in its Wastewater flow and is creating a need for additional wastewater treatment service; and

WHEREAS, Celina has requested that additional Doe Branch Plant capacity be made available for the future needs of its service area; and

WHEREAS, to accommodate an expected increase in Wastewater flow and to provide the treatment capacity desired by Celina and other participants in the Doe Branch Plant, the District proposes to expand the treatment capacity of the Doe Branch Plant from 2.0 to 4.0 million gallons per day, referred to herein as the "Project"; and

WHEREAS, Celina currently has a subscribed capacity of 0.665 MGD and has requested 0.72 MGD of additional capacity as part of the Project to meet its wastewater needs through 2023, which is the planning horizon for the Project; and

WHEREAS, funds for the Project are expected to be provided in part by the participants and in part by issuance of Bonds by the District; and

WHEREAS, Celina will be responsible for paying its pro rata share of the capital costs associated with the Project; and

WHEREAS, both parties desire to amend the Contract to enable the design, funding and construction of the Project according to the provisions of the Contract and this Amendment.

NOW, THEREFORE, the District and Celina, in consideration of the terms, conditions and covenants contained in this Amendment, agree as follows:

Section 1. Adoption of Preamble. All the matters stated in the Preamble of this Amendment are true and correct and are hereby incorporated into the body of this Amendment as though fully set forth in their entirety herein.

Section 2. Definitions. Capitalized terms not otherwise defined herein shall have the same meanings as those set forth in the Contract.

Section 3. Increase in Subscribed Capacity. Exhibit B of the Contract is hereby amended to increase Celina's subscribed capacity in the Doe Branch Plant from 0.665 MGD to 1.385 MGD (an additional 0.72 MGD of capacity).

Section 4. Payment of Capital Costs.

In general, capital cost for the Project shall be allocated among the Participants according to their respective subscribed capacities and use, and in conformance with the Contract, as amended. Funding for the Project is expected to be provided in part by the participants and in part by issuance of District Bonds, or use of other financial assistance that may be available through programs offered by TWDB.

If Celina elects to provide funds for the Project, Celina shall deliver said funds promptly on the schedule established by the District. District shall not award the proposed construction contract until Celina has deposited its share of Project funds, or has otherwise made arrangements with District for full payment of its share of Project cost pursuant to the Contract and this Amendment.

If Celina does not provide up-front funds for the Project, Celina hereby agrees to pay as part of its Annual Requirement a pro rata share of the capital costs associated with the Project, including annual debt service payments and other costs (both fixed and variable costs) associated with the Project. The District will use its best efforts to issue its Bonds and to arrange for other financing as necessary to provide for the capital costs to design, construct and manage the Project. In the unlikely event that the District is unable to issue its Bonds or to arrange alternative financing in sufficient amount to finance the entire cost of the Project, it is mutually agreed that Celina will deposit the remaining funds (if any) required by Celina's share of the proposed Project.

Upon completion of construction and when the Project is in operation, the District will prepare and provide to Celina an accounting of all applicable Project costs, and will conduct a settle-up for said costs. Any excess funds will be reimbursed on a pro rata basis to those participants who deposited said funds with the District. If there is a shortfall, Celina and each participant agrees to promptly pay its pro rata share or to be otherwise responsible for said costs upon notice of the District.

If a portion of the Project capacity is unsubscribed by the participants, such excess capacity will be considered Common-To-All capacity to be shared on a pro rata basis by all potentially benefitting participants in the Doe Branch Plant. The District may issue Bonds or other financial assistance to pay the capital costs associated with the Common-To-All capacity, if any. The potentially benefitting parties, including Celina, shall be responsible for paying a pro rata share of the annual debt service payments and other appropriate costs for the Common-To-All capacity, if any, according to their respective contracts and in proportion to subscribed capacities. A settle-up of capacity and costs will be made (accordingly, with reimbursement or credit as warranted and appropriate) when any potentially benefitting party desires to subscribe to any of the Common-To-All capacity in the future.

Section 5. Contract Provisions. All other provisions of the Contract, shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Amendment to be fully executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written, which is the Effective Date of this Amendment.

UPPER TRINITY REGIONAL WATER DISTRICT

By: _____
 Kevin Mercer, President, Board of Directors

ATTEST:

 Mike Fairfield, Secretary, Board of Directors

(DISTRICT SEAL)

APPROVED AS TO FORM:

 John F. Boyle, Jr., Counsel for the District

CITY OF CELINA

Attachment: 0814 UTRWD Contract (UTRWD Participating Member Contract)

Upper Trinity Regional Water District
Northeast Regional Water Reclamation System
Amendment to Participating Customer Contract with
City of Celina
Page 4

By: _____
Sean Terry, Mayor

ATTEST:

Vicki Faulkner, City Secretary

(CITY OF CELINA SEAL)

APPROVED AS TO FORM:

General Council

Attachment: 0814 UTRWD Contract (UTRWD Participating Member Contract)



Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Kim Brawner, Director of Engineering
CC: Catherine Oduro, Engineer
Date: August 14, 2018
Re: 2018 Street Improvements

Action Requested:

Consider and act to authorize the City Manager to execute a contract between the City of Celina and Texana Land & Asphalt in the amount of \$527,856.01 (includes 10% contingency) for the 2018 Street Improvements project. (Brawner)

Background Information:

Annual Street repairs and maintenance. The bid for this project was in the amount of \$479,869.10. Contingency is included to cover unexpected costs during construction.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

2018 Bond Issuance and Heritage Escrow for CR 97

Legal Review:

N/A

Supporting Documents:

Contract Documents

Staff Recommendation:

Approve

**SPECIFICATIONS
CONTRACT & BOND FORMS**



**CITY OF CELINA
2018 STREET IMPROVEMENTS
PROJECT: R14**

CITY COUNCIL

Sean Terry, Mayor

Bill Webber, Council Member Place 1

Wayne Nabors, Council Member Place 2

Andy Hopkins, Council Member Place 3

Carmen Roberts, Council Member Place 4

Mindy Koehne, Council Member Place 5

Chad Anderson, Council Member Place 6, Mayor Pro Tem

CITY STAFF

Jason Laumer, City Manager

Vicki Faulkner, City Secretary

Kimberly Brawner, P.E., Director of Engineering

Alan Fourmentin, Director of Public Works

**GARVER LLC
3010 GAYLORD PKWY, SUITE 190 FRISCO, TX 75034
(972) 377-7480
(972) 377-8380
T.B.P.E. FIRM REGISTRATION # F-5713**

JULY 2018

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

**CITY OF CELINA
2018 STREET IMPROVEMENTS
JOB NUMBER: R14**

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Appendix A – Additional Technical Specifications



ADVERTISEMENT FOR BID

The **City of Celina** is soliciting Bids for the construction of the following Project:

2018 STREET IMPROVEMENTS

Approximately 11,630 linear feet of asphalt street improvements along the following streets:

- Heritage Trail (from Ownsby Parkway to CR83)
- Peregrine Point (from Ownsby Parkway to Heritage Trail)
- Quail Hollow Street (from Peregrine Point to CR83)
- Pheasant Run Street (from Heritage Trail to Preston Hills Circle)
- County Road 97 (from FM 455 to approx. 3,400 LF north of FM 455)

Sealed Bids will be received at the Celina City Hall located at 142 N. Ohio Drive, Celina, Texas 75009 until 3:00 PM on July 31, 2018 and then publicly opened and read aloud at this same time and place. Bids received after this time will be returned unopened.

Address Bids to **Catherine Oduro, Engineering Services Department.**

Plans, specifications and bidding are available at Garver's online plan room (<http://planroom.garverusa.com>) for a fee of **\$30**. These documents may be downloaded by entering Quest Project Number **5864258** on the "Browse Projects" page and selecting this project from the "Plan Room" link. For assistance and free membership registration, contact QuestCDN at 952.233.1632 or info@questcdn.com. Addendums to the bid package will be issued through the online Plan Holders List; therefore, all prime bidders shall be responsible for downloading the bid documents from the online plan room in order to be included in the Plan Holder List. Prime bidders should be registered on the Plan Holders List in order to submit a bid on the project.

A Non-Mandatory pre-bid conference for the Project will be held on Tuesday, July 24, 2018 at 2: 00 p.m. at the Celina City Hall located at 142 N. Ohio Drive, Celina, Texas 75009.

Published: Celina Record, July 13, 2018 and July 20, 2018

SECTION 00200

INFORMATION FOR BIDDERS

PART 1 - GENERAL

1.1 SCOPE OF PROJECT

- A. The City of Celina, Texas (herein called Owner) invites proposals for the construction of improvements to its **2018 STREET IMPROVEMENTS**, complete in accordance with the plans and specifications contained herein.
- B. Bidders will familiarize themselves with the location of the project and the various types of work to be done as well as the type of material that is to be excavated.

1.2 DEFINED TERMS

- A. Terms used in these Instructions to Bidders which are defined in the Standard General Conditions of the Construction Contract have the meanings assigned to them in distinct from a sub-bidder, who submits a bid to a Bidder. The term "Successful Bidder" means the lowest, qualified, responsible and responsive Bidder to whom OWNER (on the basis of OWNER's evaluation as hereinafter provided) makes an award. The term "Bidding Documents" includes the Advertisement or Notice to Contractors, Instructions to Bidders, the Bid Form, the proposed Contract Documents, and the plans and specifications (including all Addenda issued prior to receipt of Bids.)
- B. Other terms used in the Bidding Documents and not defined elsewhere have the following meanings which are applicable to both the singular and plural thereof:
 - 1. The term "Shall" means mandatory. The term "May" means permission is required by the OWNER or ENGINEER.

1.3 PROPOSALS AND METHOD OF BIDDING

- A. The proposal consists of various items of work. Bidders will provide prices for each item in the proposal. The unit prices will be entered in the appropriate spaces in both script and figures. Should the Bidder have costs for any incidental work where a bid item does not occur, the costs of such work will be reflected in the unit costs of the bid items in the proposal. No separate payment will be made for any work other than those items occurring in the proposal.
- B. Complete sets of the Bidding Documents in the number and for the deposit sum, stated in the Advertisement, may be obtained from the offices of the Engineer. The deposit is non-refundable.
- C. Complete sets of the Bidding Documents must be used in preparing Bids; neither OWNER nor ENGINEER assume any responsibility for errors or misinterpretations resulting from the use of incomplete sets of Bidding Documents.

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

- D. OWNER and ENGINEER in making copies of Bidding Documents available on the above terms do so only for the purpose of obtaining Bids on the Work and do not confer a license or grant for any other use.
- E. Bidders are hereby notified of the number of calendar days for completion of the project in Section 00400.
- F. The construction of the 2018 STREET IMPROVEMENTS includes, but is not limited to the following items of work:
 - 1. PULVERIZE EXISTING ASPHALT & 6" BASE.
 - 2. CEMENT MODIFY 6" ASPHALT & BASE MIXTURE.
 - 3. OVERLAY 2" TY D ASPHALT.
 - 4. IMPROVE ROADWAY CORWN & DITCH GRADING ON PHEASANT RUN AS INDICATED IN PLANS.
 - 5. ADD ALT (CR 97 ONLY): DOUBLE CHIP SEAL IN LIEU OF 2" TY D ASPHALT OVERLAY.

1.4 OBLIGATION OF BIDDER

- A. It is the responsibility of each Bidder before submitting a Bid, to (a) examine the Contract Documents thoroughly, (b) visit the site to become familiar with local conditions that may affect cost, progress, performance or furnishing of the Work, (c) consider federal, state and local Laws and Regulations that may affect cost, progress, performance or furnishing of the work, (d) study and carefully correlate Bidder's observations with the Contract documents, and (e) notify ENGINEER of all conflicts, errors or discrepancies in the Contract Documents. The failure or omission of any Bidder to examine any form, instrument or document shall in no way relieve any Bidder from any obligation in respect of his bid.
- B. Information and data reflected in the Contract Documents with respect to Underground Facilities at or contiguous to the site is based upon information and data furnished to OWNER and ENGINEER by owners of such Underground Facilities or others, and OWNER does not assume responsibility for the accuracy or completeness thereof unless it is expressly provided otherwise in the Supplementary Conditions.
- C. Provisions concerning responsibilities for the adequacy of data furnished to prospective Bidders on subsurface conditions. Underground Facilities and other physical conditions, and possible changes in the Contract Documents due to differing conditions of the Contract Documents.
- D. Before submitting a Bid, each Bidder will, at Bidder's own expense, make or obtain any additional examinations, investigations, explorations, tests and studies and obtain any additional information and data which pertain to the physical conditions (surface, subsurface and Underground Facilities) at or contiguous to the site or otherwise which may affect cost, progress, performance or furnishing of the Work and which Bidder deems necessary to determine its Bid for performing and furnishing the work in accordance with the time, price and other terms and conditions of the Contract Documents.

- E. On request in advance, OWNER will provide each Bidder access to the site to conduct such explorations and tests as each Bidder deems necessary for submission of a Bid. Bidder shall fill all holes, clean up and restore the site to its former condition upon completion of such exploration.
- F. The lands upon which the Work is to be performed, rights-of-way and easements for access thereto and other lands designated for use by Contractor in performing the Work are identified in the contract Documents. All additional lands and access thereto required for temporary construction facilities or storage of materials and equipment are to be provided by Contractor. Easements for permanent structures or permanent changes in existing structures are to be obtained and paid for by OWNER unless otherwise provided in the Contract Documents.
- G. The submission of a Bid will constitute an incontrovertible representation by Bidder that Bidder has complied with every requirement of this section, that without exception the Bid is premise upon performing and furnishing the Work required by the Contract Documents and such means, methods, techniques, sequences or procedures of construction as may be indicated in or required by the contract Documents, and that the contract Documents are sufficient in scope and detail to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

1.5 INTERPRETATIONS AND ADDENDA

- A. All questions about the meaning or intent of the contract Documents are to be directed to ENGINEER. Interpretations or clarifications considered necessary by ENGINEER in response to such questions will be issued by Addenda mailed or delivered to all parties recorded by ENGINEER as having received the Bidding Documents. Questions received less than two days prior to the date for opening of Bids may not be answered. Only questions answered by formal written Addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.
- B. Addenda may also be issued to modify the Bidding Documents as deemed advisable by OWNER or ENGINEER. EACH ADDENDA, if so issued, shall be acknowledged by the CONTRACTOR and included with the documents presented at the bid opening. Receipt of Addenda must be acknowledged in the spaces provided in the bid form.

1.6 CONTRACT TIME

- A. The numbers of days within which the Work is to be completed and ready for final payment (the Contract Time) are set forth in the Bid Form and the Agreement.

1.7 LIQUIDATED DAMAGES FOR FAILURE TO COMPLETE ON TIME

- A. Provisions for liquidated damages are set forth in the Agreement.

1.8 RECEIPT AND OPENING OF BIDS

- A. Bids will be received by the Owner at the City of Celina until **3:00 PM** on **JULY 31, 2018** and then at said place be publicly opened and read aloud. The envelopes containing bids must be sealed, addressed to **Catherine Oduro, Engineering Services Department, 142 N Ohio Celina, Texas, 75009**. Bidders shall acknowledge receipt of all addenda on outside of sealed envelope.

1.9 QUALIFICATIONS OF BIDDER

- A. Bidders may be required to submit evidence that they have a practical knowledge of the particular Work bid upon, and that they have the financial resources to complete the proposed Work.
- B. In determining the Bidder's qualifications, the following factors will be considered: Work previously completed by the Bidder and whether the Bidder (a) maintains a permanent place of business, (b) has adequate personnel and equipment to do the Work properly and expeditiously, (c) has the financial resources to meet all obligations incidental to the Work, and (d) has appropriate technical experience.
- C. Each Bidder's claim history may be reviewed in the evaluation of the bid. The Bidder may be required to show that he has handled former work so that no just claims are pending against such work. No bid will be accepted from a Bidder who is engaged on any work which would impair his ability to perform or finance his Work.

1.10 SECURITY FOR FAITHFUL PERFORMANCE

- A. Simultaneously with his delivery of the executed contract, the Contractor shall furnish a surety bond or bonds as security for faithful performance on the contract and for the payment of all persons performing labor on the project under this contract and furnishing materials in connection with this contract, as specified in the General Conditions included herein. The Surety on such bond or bonds shall be a duly authorized Surety company satisfactory to the Owner.

1.11 POWER OF ATTORNEY

- A. Attorneys-in-Fact who sign bid bonds or contract bonds must file with each bond a certified and effectively dated copy of their power of attorney.

1.12 LAWS AND REGULATIONS

- A. The Bidder's attention is directed to the fact that all applicable State laws, municipal ordinances and the rules and regulations of all authorities having jurisdiction over construction of the project shall apply to the Contract throughout, and they will be deemed to be included in the Contract the same as though written out in full.

1.13 SUBCONTRACTS

- A. The Bidder is specifically advised that any person, firm or other party to whom it is proposed to award a Contract under this Contract must be acceptable to the Owner and Engineer.

1.14 BID FORM

- A. The Bid Form is included with the Bidding documents: additional copies may be obtained from ENGINEER (or the issuing office).
- B. Unless noted otherwise, all blanks on the Bid Form must be completed in ink or by typewriter.

- C. Bids by corporations must be executed in the corporate name by the president or a vice-president (or other corporate officer accompanied by evidence of authority to sign) and the corporate seal must be affixed and attested by the secretary or an assistant secretary. The corporate address and state of incorporation must be shown below the signature.
- D. Bids by partnerships must be executed in the partnership name and signed by a partner, whose title must appear under the signature and the official address of the partnership must be shown below the signature.
- E. All names must be types or printed below the signature.
- F. The Bid shall contain an acknowledgment of receipt of all Addenda (the numbers of which must be filled in on the Bid Form).

1.15 MODIFICATION AND WITHDRAWAL OF BIDS

- A. Bids may be modified or withdrawn by an appropriate document duly executed (in the manner that a bid must be executed) and delivered to the place where Bids are to be submitted at any time prior to the opening of Bids.

1.16 BIDS TO REMAIN SUBJECT TO ACCEPTANCE

- A. All bids will remain subject to acceptance for ninety (90) days after the day of the Bid opening, but OWNER may, in its sole discretion, release any Bid and return the Bid security prior to that date.

1.17 METHOD OF AWARD

- A. In evaluating Bids, OWNER will consider the qualifications of the Bidders, whether or not the Bids comply with the prescribed requirements, and such alternates unit prices and other data, as may be requested in the Bid Form or prior to the Notice of Award.
- B. OWNER reserves the right to reject any and all Bids, to waive any and all informalities not involving price, time or changes in the Work and to negotiate contract term with the successful Bidder, and the right to disregard all nonconforming, nonresponsive, unbalance or conditional Bids. Also, OWNER reserves the right to reject the Bid of any Bidder if OWNER believes that it would not be in the best interest of the Project to make an award to that Bidder, whether because the Bid is not responsive or the Bidder is unqualified or of doubtful financial ability or fails to meet any other pertinent standard or criteria established by OWNER. Discrepancies in the multiplication of units of Work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum.
- C. OWNER may conduct such investigations as OWNER deems necessary to assist in the evaluation of any Bid and to establish the responsibility, qualifications and financial ability of Bidders proposed Subcontractors, Suppliers and other persons and organizations to perform and furnish the Work in accordance with the contract Documents to OWNER's satisfaction within the prescribed time.

- D. OWNER may consider the qualifications and experience of Subcontractors, Suppliers and other persons and organizations proposed for those portions of the work as to which the identity of Subcontractors, Suppliers, and other persons and organizations must be submitted as provided in the Supplementary Conditions. OWNER also may consider the operating costs, maintenance requirements, performance data and guarantees of major items of materials and equipment proposed for incorporation in the Work when such data is required to be submitted prior to the Notice of Award.
- E. If the contract is to be awarded, OWNER will give the successful Bidder a Notice of Award within ninety days after the day of the Bid opening.
- F. An award will be made to one General Contractor on the basis of total amount of the Base Proposal or the total amount of the Base Proposal with any or all Alternate Bid Items.
- G. The owner reserves the right to waive formalities, to reject any or all bids, and to accept the bid most advantageous to the public interest.

1.18 CONTRACT SECURITY

- A. Paragraph 5.1 of the General Conditions and the Supplementary Conditions set forth by OWNER's requirements as to performance and payment Bonds. When the successful Bidder delivers the executed Agreement to OWNER, it must be accompanied by the required performance and payment Bonds.

1.19 SIGNING OF AGREEMENT

- A. When OWNER gives a Notice of Award to the Successful Bidder, it will be accompanied by the required number of unsigned counterparts of the Agreement with all other written Contract documents attached. Within fifteen days thereafter contractor shall sign and deliver the required number of counterparts of the Agreement and attached documents to OWNER with the required Bonds. Within ten days thereafter OWNER shall deliver two fully signed counterparts to Contractor. Each counterpart is to be accompanied by a complete set of the Drawings with appropriate identification.

1.20 RETAINAGE

- A. The Amount Retained per Partial Payment shall be 5% of the Payment for all contracts awarded for any amount greater than or equal to \$400,000.00. Should the contract awarded be less than \$400,000.00, the amount of Retainage for Partial payment shall be 10%.

1.21 SALES AND USE TAXES

- A. Owner is exempt from Municipal and State Sales and Use Taxes on materials and equipment to be incorporated in the Work. Said taxes shall not be included in the Contract Price.

1.22 CONSULTING ENGINEER

- A. The term "Consulting Engineer" as used herein refers to GARVER LLC, 3010 Gaylord Parkway, Suite 190, Frisco, TX 75034. "Consulting Engineer" is as defined in the Supplementary Conditions.

1.23 TRAFFIC CONTROL

- A. The contractor will be responsible for furnishing and using all barricades, warning lights, signs, etc. necessary to protect his work and maintain traffic flow satisfactory to the Owner. Warning devices shall be as required in the Texas Manual on Uniform Traffic Control Devices.

1.24 OWNERSHIP OF PROJECT

- A. Until final acceptance of the total project by the Owner and Engineer, the Contractor shall take full responsibility for the welfare of the partially completed work. Damage to the Contractor's work from any cause shall be repaired at the Contractor's expense.

1.25 REPLACEMENT OF MISCELLANEOUS IMPROVEMENTS

- A. The Contractor shall repair or replace all existing utilities, fences, concrete walls, sidewalks, concrete curbs, signs, culverts, and other miscellaneous improvements damaged by the Contractor due to his operations on this project to a condition equal to or better than their condition before construction, at no additional expense to the Owner. No direct payment will be made for this item.

1.26 CLEAN-UP

- A. Throughout the course of construction and after construction work is completed and before final acceptance of improvements by the Owner, the Contractor shall remove all debris from site of project to an approved place of disposal. Temporary structures, forms, equipment, objectionable rocks, concrete and other debris shall be removed in such manner as to leave the site of work in a neat and presentable condition throughout; and restore in an acceptable manner all property damaged in the progress of this work.
- B. No direct payment will be made for clean-up.

1.27 RECORD DRAWINGS

- A. The Contractor will be furnished one (1) set of plans on which he shall indicate all changes made during construction. All notes and comments necessary to give a clear conception of exactly how all items were constructed, including location, shall be shown. This set of plans shall be reviewed with the Engineer at that time.

1.28 NOTIFICATION OF CONSTRUCTION PROGRESS

- A. The Contractor shall keep the Owner and the Owner's Engineer informed as to his construction progress. The Contractor shall give the Owner's Engineer 48 hour sufficient notice so that he or his representative may be present for inspection of any subsurface activity.

1.29 EXISTING UTILITIES

- A. Existing surface and subsurface structures (gas mains, water mains, sewer mains, storm sewer, telephone cables, sprinkler systems, etc.) are shown on the plans if their location has been determined, but it shall be the responsibility of the Contractor to avoid damaging these existing structures whether or not they are shown on the plans. The Owner and Engineer assume no responsibility for failure to show any or all of these structures on the plans, or to show them in their exact location. It is mutually agreed that such failure to show these structures will not be considered sufficient basis for claims for additional compensation for extra work or for increasing the pay quantities in any manner whatsoever. If any structure is damaged by the Contractor, it shall be his responsibility to repair the damage at his own expense and restore the structure to its original condition, as determined by the Owner.
- B. Contractor shall locate and determine (verify if depth is shown on plans) elevation of all existing underground utilities a minimum of 500 feet ahead of trenching. If a utility is found to be in conflict with proposed grades, the Engineer shall be contacted and grades adjusted to avoid conflict. No Separate Pay.
- C. Existing water mains and service laterals may be difficult to locate. The approximate location of these facilities has been shown on the plans and City forces with budget constraints have not produced exact locations. The Contractor will be required to excavate and locate these facilities, and to conduct such investigations as necessary to perform the work contemplated on the plans. The City will provide liaison with property owners and the limited information it has concerning existing locations, sizes, materials, etc., but any delays or investigations required of the Contractor shall be deemed incidental to the project. No separate payment will be made. No machine time will be provided by the City in this regard.

1.30 POWER FOR CONSTRUCTION

- A. The Contractor shall purchase all power required for his operation. The Contractor shall furnish and install all necessary temporary wiring, and furnish and install area distribution boxes so located that the individual trades may use their own construction type extension cords to obtain adequate power and artificial lighting at all points to properly perform the work and for safety.

1.31 SUBSTITUTES AND "OR-EQUAL" ITEMS

- A. Whenever a material or article is specified or described by using the name of a proprietary product or the name of a particular manufacturer or vendor, the specified item shall be understood as establishing the type, function, and quality desired. Unless the specification states that no equivalent or "or equal" item is permitted, other manufacturers' products will be accepted, provided sufficient information is submitted to allow the Engineer to determine that the products proposed are equivalent to those named. Such items shall be submitted for review by the procedure set forth in the submittals section.

- B. Requests for review of equivalency will not be accepted from anyone except the Contractor.

1.32 OFFSITE STORAGE

- A. Offsite storage for any materials and equipment not incorporated into the Work but included in the Applications for Payment shall not be allowed.

1.33 LAND FOR CONSTRUCTION PURPOSES

- A. The Contractor will be permitted to use available land belonging to the Owner, on or near the site of the Work, for construction purposes and for storage of materials and equipment.
- B. The locations and extent of the areas so used shall be as indicated on the Drawings.
- C. The Contractor shall immediately move stored materials or equipment if any occasion arises, as determined by the Owner, requiring access to the storage area. Materials or equipment shall not be placed on the property of the Owner until the Owner has agreed to the location to be used for storage.

1.34 NOTICES TO OWNERS AND AUTHORITIES

- A. Utilities and other concerned agencies shall be notified at least 24 hours prior to excavating near underground utilities or pole lines.

1.35 UNFAVORABLE CONSTRUCTION CONDITIONS

- A. During unfavorable weather, wet ground, or other unsuitable conditions, The Contractor shall confine its operations to work which will not be affected adversely by such conditions. No portion of the Work shall be constructed under conditions which would affect adversely the quality or efficiency thereof, unless special means or precautions are taken by the Contractor to perform the Work in a proper and satisfactory manner.

1.36 APPLICABLE CODES

- A. References in the Contract Documents to local codes mean the codes adopted by the City of Celina, Texas.
- B. Other standard codes which apply to the Work are designated in the Specifications.

1.37 REFERENCE STANDARDS

- A. Reference to standards, specifications, manuals or codes of any technical society, organization, or association, or to the laws or regulations of any governmental authority, whether such reference be specific or by implication, shall mean the latest standard specification, manual code, or laws or regulations in effect at the time of opening of Bids (or on the Effective Date of the Agreement if there were no Bids), except as may be otherwise specifically stated. However, no provision of any referenced standard, specification, manual, or code, (whether or not specifically incorporated

by reference in the Contract Documents) shall be effective to change the duties and responsibilities of the Owner, Contractor, or Consulting Engineer, or any of their Consultants, agents, or employees from those set forth in the Contract Documents, nor shall it be effective to assign to Consulting Engineer, or any of the Consulting Engineer's Consultants, agents, or employees, any duty or authority to supervise or direct the furnishing or performance of the Work.

1.38 SITE ADMINISTRATION

- A. The Contractor shall be responsible for all areas of the site used by it, and by all Subcontractors in the performance of the Work. The Contractor will exert full control over the actions of all employees and other persons with respect to the use and preservation of property and existing facilities, except such controls as may be specifically reserved to the Owner or others. The Contractor has the right to exclude from the site all persons who have no purpose related to the Work or its inspection, and may require all persons on the site (except Owner's employees) to observe the same regulations as the Contractor requires of its employees.

1.39 SALVAGE OF MATERIALS AND EQUIPMENT

- A. Existing materials and equipment removed, and not reused as a part of the Work, or listed herein to remain the property of the Owner, shall become the Contractor's property. The Contractor materials and equipment shall be salvaged or disposed of in strict accordance with local laws and rules.
- B. Materials and equipment that are to remain the Owner's property shall be removed and delivered to a pre-selected area on the plant site, as directed by the Owner. Removal of the materials and equipment shall be as directed by the Owner and Engineer. All damaged equipment by the Contractor shall be repaired at the Contractor's expense.

1.40 EXISTING STRUCTURES/EQUIPMENT

- A. Exact dimensions of existing structures, buildings, equipment roads, utility locations, etc., shown on the plans have not been field verified by the Engineer. Prior to submittal preparation by the Contractor, or construction activities as applicable, all dimensions of these existing items shall be verified by the Contractor in the field. It shall be the Contractor's responsibility to verify all field dimensions.

1.41 VIDEO OF CONSTRUCTION AREA

- A. The Contractor shall provide the City with photos and a video tape showing the entire site detail prior to construction, to include audio on the video tape to describe locations.

1.42 PERMITTING

- A. All permits required by the Owner shall be obtained by the Contractor at no cost to the Contractor.

1.43 MAINTENANCE BOND

- A. The Contractor shall furnish a maintenance bond in the amount of 10% (ten percent) of the total contract price to the City to run two (2) years from the date of final acceptance of the system by the City.

1.44 AFFIDAVIT OF BILLS PAID

- A. Upon completion of the project and final acceptance by the Owner and Engineer, the Contractor shall be required to furnish the Owner with an Affidavit certifying that all suppliers and subcontractors have been paid, before final payment will be made by Owner.

1.45 CONTRACTOR'S RESPONSIBILITY AND LIABILITY FOR PERFORMANCE OF WORK

- A. It is expressly understood and agreed to by the Contractor that, regardless of the extent of inspection and supervision provided by the Owner and the Engineer, it is the Contractor's responsibility to perform and complete work in accordance with the drawings and specifications, and that the Owner and Engineer have no liability or responsibility whatever to the Contractor for any work performed by the Contractor which is not in accordance with the drawings and specifications regardless of the time when discovered and whether discovered at any time during the course of construction or after acceptance of the work.

1.46 CHANGE OF LOCATION

- A. No change in the alignment is contemplated; however, should a change be necessary, the Owner reserves the right to make such changes, unless it can be clearly shown that such change works an undue hardship on the Contractor, no extra compensation will be allowed the Contractor.

1.47 EXCAVATION CLASSIFICATION

- A. Excavation in this Contract shall be unclassified. There is no separate pay item under this Contract for excavation and its cost shall be included in such pay items as are provided in the Contract and proposal.
- B. Contractor shall include costs for dewatering if required for the installation of the utilities including storm sewer, water, sewer and irrigation. Dewatering will be considered subsidiary to the bid items and no separate pay will be made.

1.48 SANITARY FACILITIES

- A. The Contractor shall provide chemical toilet facilities for the use of his forces. Adequacy of these facilities will be subject to the approval of the Engineer and maintenance of same must be satisfactory to the Engineer at all times.

1.49 SUB-SURFACE CONDITIONS

- A. It shall be the responsibility of the Contractor to satisfy himself as to the soil conditions and nature and type of geological formations in and through which this project will be constructed, and to make appropriate allowances in the proposal he submits for doing the work. Such information as may be obtained from the test borings and accompanying notations shown on the plans is merely for the guidance of the Contractor and is not to be construed in any manner as a guarantee by the Owner that such conditions of sub-surface strata are infallible.

1.50 STAKING FOR CONSTRUCTION

- A. The Contractor will provide all construction staking services for the project. The cost of these services will be reflected in the unit price amount bid in the proposal. No separate payment will be made.

1.51 CONTRACT DRAWINGS AND SPECIFICATIONS

- A. All items shown on the drawings or included in the specifications shall be furnished, installed, and connected with accessories and appurtenances as shown or indicated on the plans and in the specifications.
- B. Any work or item called for on the drawings and not particularly mentioned in the specifications, or work and items described in the specifications and not shown on the drawings is to be regarded as included under the contract the same as if set forth in the specifications and exhibited on the drawings.

1.52 SETTLEMENT OF INSURANCE CLAIMS

- A. Losses insured under policies that include Owner/Engineer as a named insured shall be adjusted with Owner/Engineer and made payable to Owner/Engineer as trustee for the insureds, as their interests may appear.
- B. Owner/Engineer and Contractor waive all rights against each other for damages caused by fire or other perils to the extent covered by insurance, except such rights as they may have to insurance proceeds held by owner as trustee. Contractor shall require similar waivers by Subcontractors as provided in General Conditions.

1.53 SPECIFICATIONS

- A. The Specifications which govern materials and equipment to be furnished and the work to be performed under this contract are listed in the Table of Contents at the beginning of this volume.

1.54 BUY AMERICAN

- A. In accordance with the Buy American provision in Public Law 95-117 (section 215 of Public Law 92-500 as amended) the Contractor agrees that preference will be given to domestic material, by the contractor, subcontractors, materialmen, and suppliers and Owner in the performance of this contract.

1.55 SPOIL DISPOSAL

- A. The Contractor's bid shall include spoil disposal (offsite) in accordance with applicable TCEQ regulations.

1.56 INGRESS/EGRESS

- A. Ingress/Egress to the construction area by the Contractor shall be done only on the construction easements shown on the plans, no exceptions. No separate payment will be provided for these services.

1.57 COOPERATION AND COORDINATION WITH PUBLIC

- A. The Contractor shall conduct his work so as to cause the least amount of disruption to the public. Closing of any streets or lanes of traffic will be coordinated with City staff. All citizens along each street will be notified by the Contractor in advance of construction activities.

1.58 EXCAVATION, TRENCHING, AND SHORING

- A. All excavation, trenching, and shoring shall conform to the U.S. Department of Labor, Occupational Safety, and Health Administration Guidelines (Subpart P - Excavation, Trenching, and Shoring). The Contractor will be required to submit an excavation, trenching, and shoring plan to the Engineer for approval prior to construction. See Section 02228 of these specifications.

1.59 NO SEPARATE PAYMENT

- A. Several notes on the plans indicate work to be performed with "No Separate Payment". Contractor shall include the cost of this work in other bid items provided.

END OF SECTION

00300 BID PROPOSAL FORM

City of Celina

2018 STREET IMPROVEMENTS

PROJ #: R14

Basis of Bid

Item No.	Description	Unit	Estimated Quantity	Unit Price	Extended Amount
BASE BID					
1	MOBILIZATION	LS	1.00	5,663.09	5,663.09
2	TEMPORARY TRAFFIC CONTROL	LS	1.00	5,000.00	5,000.00
3	STORM WATER POLLUTION PREVENTION PLAN	LS	1.00	2,281.41	2,281.41
4	FLEX BASE (CMP IN PLC)(TYA GR1-2)(6")	TON	920.00	42.93	39,495.60
5	CEMENT TREAT (EXIST MATL) (6")(SLURRY)(RATE = 28 LBS/SY)	SY	32,430.00	4.32	140,097.60
6	PRIME COAT (MC-30 OR AE-P) (0.15 GAL/SY)	GAL	4,880.00	4.56	22,252.80
7	D-GR HMA(SQ) TY-D PG64-22 (2")	SY	29,860.00	8.62	257,393.20
8	REFLECTIVE PAVEMENT MARKING (WHITE)(SOLID)(4")	LF	6,730.00	0.51	3,432.30
9	REFLECTIVE PAVEMENT MARKING (YELLOW)(SOLID)(4")	LF	6,730.00	0.51	3,432.30
10	REFLECTIVE PAVEMENT MARKING (WHITE)(24")	LF	120.00	6.84	820.80
A	TOTAL BASE BID AMOUNT				\$ 479,869.10
ADD ALTERNATE #1 (CR 97 ONLY)					
A1	ASPH (CRS-2) OR APPROVED EQUAL (0.5 GAL/SY)	GAL	3,960.00	6.03	23,878.80
A2	ASPH (CRS-2) OR APPROVED EQUAL (0.6 GAL/SY)	GAL	4,750.00	6.03	28,642.50
A3	AGGR(TY-B GR-3 SAC-B)(3/4 IN. NOM. AGG. SIZE)	CY	170.00	145.83	24,791.10
A4	AGGR(TY-B GR-5 SAC-B)(3/8 IN. NOM. AGG. SIZE)	CY	90.00	196.26	17,663.40
B	TOTAL ADD ALTERNATE #1 BID AMOUNT				94,975.80

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

SECTION 00400
EJCDC STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
ON THE BASIS OF A STIPULATED PRICE

THIS AGREEMENT is by and between _____ (hereinafter called OWNER) and _____, (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 – WORK

1.01 CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

City of Celina

2018 STREET IMPROVEMENTS

ARTICLE 2 – THE PROJECT

2.01 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows:

Approximately 11,630 linear feet of asphalt street improvements along the following streets:

- Heritage Trail (from Ownsby Parkway to CR83)
- Peregrine Point (from Ownsby Parkway to Heritage Trail)
- Quail Hollow Street (from Peregrine Point to CR83)
- Pheasant Run Street (from Heritage Trail to Preston Hills Circle)
- County Road 97 (from FM 455 to approx. 3,400 LF north of FM 455)

ARTICLE 3 – ENGINEER

3.01 The Project has been designed by:

GARVER LLC

3010 Gaylord Pkwy, Suite 190

Frisco, Texas 75034

(972) 377-7480

which hereinafter called ENGINEER and which is to act as OWNER'S representative, assume all duties and responsibilities, and have the rights and authority assigned to ENGINEER in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

4.01 *Time of the Essence*

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 *Days to Achieve Substantial Completion and Final Payment*

A. The Work will be substantially completed within **90** days after the date when the Contract Times commence to run as provided in paragraph 2.03 of the General Conditions, and completed and ready for final payment in accordance with paragraph 14.07 of the General Conditions within **120** days after the date when the Contract Times commence to run.

4.03 *Liquidated Damages*

A. CONTRACTOR and OWNER recognize that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not completed within the times specified in paragraph 4.02 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by OWNER if the Work is not completed on time. Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidate damages for delay (but not as a penalty), CONTRACTOR shall pay OWNER **\$500** for each day that expires after the time specified in paragraph 4.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if CONTRACTOR shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by OWNER, CONTRACTOR shall pay OWNER **\$500** for each day that expires after the time specified in paragraph 4.02 for completion and readiness for final payment until the Work is completed and ready for final payment.

ARTICLE 5 – CONTRACT PRICE

5.01 OWNER shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents.

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

A. CONTRACTOR shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by ENGINEER as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

A. OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR'S Applications for Payment on or about the **last** day of each month during performance of the Work as provided in paragraphs 6.02.A.1 and 6.02.A.2 below. All such payments will be measured by the schedule of values established in paragraph 2.07.A of the General Conditions (and in the case of

Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements:

1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as ENGINEER may determine or OWNER may withhold, in accordance with paragraph 14.02 of the General Conditions:
 - a. 95% of Work completed (with the balance being retainage).
 - b. 95% of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
2. Upon Substantial Completion, OWNER shall pay an amount sufficient to increase total payments to CONTRACTOR to 95% of the Work completed, less such amounts as ENGINEER shall determine in accordance with paragraph 14.02.B.5 of the General Conditions and less 100% of ENGINEER's estimate of the value of Work to be completed or corrected as shown on the tentative list of items to be completed or corrected attached to the certificate of Substantial Completion.

6.03 Final Payment

A. Upon final completion and acceptance of the Work in accordance with paragraph 14.07 of the General Conditions, OWNER shall pay the remainder of the Contract Price as recommended by ENGINEER as provided in said paragraph 14.07.

ARTICLE 7 – INTEREST

7.01 All moneys not paid when due as provided in Article 14 of the General Conditions shall bear interest at the rate of 0% per annum.

ARTICLE 8 – CONTRACTOR'S REPRESENTATIONS

8.01 In order to induce OWNER to enter into this Agreement CONTRACTOR makes the following representations:

A. CONTRACTOR has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.

B. CONTRACTOR has visited the site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. CONTRACTOR is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

D. CONTRACTOR has carefully studied all: (1) Geotechnical Investigations, explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site which have been identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Conditions.

E. CONTRACTOR does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

F. CONTRACTOR is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Contract Documents.

G. CONTRACTOR has correlated the information known to CONTRACTOR, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

H. CONTRACTOR has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that CONTRACTOR has discovered in the Contract Documents, and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.

I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.'

ARTICLE 9 – CONTRACT DOCUMENTS

9.01 Contents

A. The Contract Documents consist of the following:

1. This Agreement (pages 1 to _____, inclusive);
2. Performance Bond (pages 1 to _____, inclusive);
3. Payment Bond (pages 1 to _____, inclusive);
4. Other bonds: _____ (pages 1 to _____, inclusive);
5. General Conditions (pages 1 to _____, inclusive);
6. Supplementary Conditions (pages 1 to _____, inclusive);
7. Specification as listed in the table of contents of the Project Manual;
8. Drawings consisting of a cover sheet and sheets numbered _____ through _____, inclusive, with each sheet bearing the following general title:
_____;
9. Addenda (numbers _____ to _____, inclusive);
10. Exhibits to this Agreement (enumerated as follows):
 - a. CONTRACTOR'S Bid (pages _____ to _____, inclusive);
 - b. Documentation submitted by CONTRACTOR prior to Notice of Award (pages _____ to _____, inclusive);

11. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
- a. Written Amendments;
 - b. Work Change Directives;
 - c. Change Order(s).
- B. The documents listed in paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 9.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in paragraph 3.04 of the General Conditions.

ARTICLE 10 – MISCELLANEOUS

10.01 Terms

- A. Terms used in this Agreement will have the meanings indicated in the General Conditions.

10.02 Assignment of Contract

A. No assignment by a party hereto of any rights under or interests on the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and 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 the Contract Documents.

10.03 Successors and Assigns

A. OWNER and CONTRACTOR each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.04 Severability

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law of Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and CONTRACTOR, who agree that the Contract Documents 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.

10.05 Contractor's Certifications

A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 10.05:

1. “corrupt practice” means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
2. “fraudulent practice” means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
3. “collusive practice” means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
4. “coercive practice” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

IN WITNESS WHEREOF, OWNER and CONTRACTOR have assigned this Agreement in duplicate. One counterpart each has been delivered to OWNER and CONTRACTOR. All portions of the Contract Documents have been signed or identified by OWNER and CONTRACTOR or on their behalf.

This Agreement will be effective on _____, 2018, (which is the Effective Date of the Agreement).

OWNER:

CONTRACTOR:

By: _____

By: _____

[CORPORATE SEAL]

[CORPORATE SEAL]

Attest _____

Attest _____

Address for giving notices:

Address for giving notices:

142 N Ohio _____

City of Celina, Texas 75009 _____

(If OWNER is a corporation, attach evidence of authority to sign. If OWNER is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of Owner-CONTRACTOR Agreement.)

License
No. _____

(Where applicable)

Agent for service of process: _____

(If Contractor is a corporation or a partnership, attach evidence of authority to sign.)

Designated Representative:

Designated Representative:

Name: Jason Laumer _____

Name: _____

Title: City Manager _____

Title: _____

Address: 142 N Ohio _____

Address: _____

City of Celina, Texas 75009 _____

Phone 972-382-2682 _____

Phone: _____

Facsimile: _____

Facsimile: _____

E-mail: _____

PERFORMANCE BOND

Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

SURETY (Name and Address of Principal Place of Business):

OWNER (*name and address*):

CITY OF CELINA

142 N. OHIO DRIVE, CELINA, TX 75009

CONTRACT

Date:

Amount:

Description (Name and Location): PROJECT # R14 - 2018 STREET IMPROVEMETS, CELINA, TX

BOND

Bond Number:

Date (Not earlier than Contract Date):

Amount:

Modifications to this Bond Form:

Surety and Contractor, intending to be legally bound hereby, subject to the terms printed on the reverse side hereof, do each cause this Performance Bond to be duly executed on its behalf by its authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

Company:

Signature: _____ (Seal)

Name and Title:

SURETY

(Seal)

Surety's Name and Corporate Seal

By:

Signature and Title

(Attach Power of Attorney)

(Space is provided below for signatures of additional parties, if required.)

Attest:

Signature and Title

CONTRACTOR AS PRINCIPAL

Company:

Signature: _____ (Seal)

Name and Title:

SURETY

(Seal)

Surety's Name and Corporate Seal

By:

Signature and Title

(Attach Power of Attorney)

Attest:

Signature and Title:

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

EJCDC No. C-610 (2002 Edition)

Originally prepared through the joint efforts of the Surety Association of America, Engineers Joint Contract Documents Committee, the Associated General Contractors of America, and the American Institute of Architects.

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to Owner for the performance of the Contract, which is incorporated herein by reference.
2. If Contractor performs the Contract, Surety and Contractor have no obligation under this Bond, except to participate in conferences as provided in Paragraph 3.1.
3. If there is no Owner Default, Surety's obligation under this Bond shall arise after:
 - 3.1. Owner has notified Contractor and Surety, at the addresses described in Paragraph 10 below, that Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with Contractor and Surety to be held not later than 15 days after receipt of such notice to discuss methods of performing the Contract. If Owner, Contractor and Surety agree, Contractor shall be allowed a reasonable time to perform the Contract, but such an agreement shall not waive Owner's right, if any, subsequently to declare a Contractor Default; and
 - 3.2. Owner has declared a Contractor Default and formally terminated Contractor's right to complete the Contract. Such Contractor Default shall not be declared earlier than 20 days after Contractor and Surety have received notice as provided in Paragraph 3.1; and
 - 3.3. Owner has agreed to pay the Balance of the Contract Price to:
 1. Surety in accordance with the terms of the Contract;
 2. Another contractor selected pursuant to Paragraph 4.3 to perform the Contract.
4. When Owner has satisfied the conditions of Paragraph 3, Surety shall promptly and at Surety's expense take one of the following actions:
 - 4.1. Arrange for Contractor, with consent of Owner, to perform and complete the Contract; or
 - 4.2. Undertake to perform and complete the Contract itself, through its agents or through independent contractors; or
 - 4.3. Obtain bids or negotiated proposals from qualified contractors acceptable to Owner for a contract for performance and completion of the Contract, arrange for a contract to be prepared for execution by Owner and Contractor selected with Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Contract, and pay to Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by Owner resulting from Contractor Default; or
 - 4.4. Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:
 1. After investigation, determine the amount for which it may be liable to Owner and, as soon as practicable after the amount is determined, tender payment therefor to Owner; or
 2. Deny liability in whole or in part and notify Owner citing reasons therefor.
5. If Surety does not proceed as provided in Paragraph 4 with reasonable promptness, Surety shall be deemed to be in default on this Bond 15 days after receipt of an additional written notice from Owner to Surety demanding that Surety perform its obligations under this Bond, and Owner shall be entitled to enforce any remedy available to Owner. If Surety proceeds as provided in Paragraph 4.4, and Owner refuses the payment tendered or Surety has denied liability, in whole or in part, without further notice Owner shall be entitled to enforce any remedy available to Owner.
6. After Owner has terminated Contractor's right to complete the Contract, and if Surety elects to act under Paragraph 4.1, 4.2, or 4.3 above, then the responsibilities of Surety to Owner shall not be greater than those of Contractor under the Contract, and the responsibilities of Owner to Surety shall not be greater than those of Owner under the Contract. To a limit of the amount of this Bond, but subject to commitment by Owner of the Balance of the Contract Price to mitigation of costs and damages on the Contract, Surety is obligated without duplication for:
 - 6.1. The responsibilities of Contractor for correction of defective Work and completion of the Contract;
 - 6.2. Additional legal, design professional, and delay costs resulting from Contractor's Default, and resulting from the actions or failure to act of Surety under Paragraph 4; and
 - 6.3. Liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non-performance of Contractor.
7. Surety shall not be liable to Owner or others for obligations of Contractor that are unrelated to the Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than Owner or its heirs, executors, administrators, or successors.
8. Surety hereby waives notice of any change, including changes of time, to Contract or to related subcontracts, purchase orders, and other obligations.
9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the Work or part of the Work is located and shall be instituted within two years after Contractor Default or within two years after Contractor ceased working or within two years after Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
10. Notice to Surety, Owner, or Contractor shall be mailed or delivered to the address shown on the signature page.
11. When this Bond has been furnished to comply with a statutory requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
12. Definitions.
 - 12.1. Balance of the Contract Price: The total amount payable by Owner to Contractor under the Contract after all proper adjustments have been made, including allowance to Contractor of any amounts received or to be received by Owner in settlement of insurance or other Claims for damages to which Contractor is entitled, reduced by all valid and proper payments made to or on behalf of Contractor under the Contract.
 - 12.2. Contract: The agreement between Owner and Contractor identified on the signature page, including all Contract Documents and changes thereto.
 - 12.3. Contractor Default: Failure of Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract.
 - 12.4. Owner Default: Failure of Owner, which has neither been remedied nor waived, to pay Contractor as required by the Contract or to perform and complete or comply with the other terms thereof.

FOR INFORMATION ONLY – Name, Address and Telephone
 Surety Agency or Broker
 Owner's Representative (engineer or other party)

PAYMENT BOND

CONTRACTOR *(name and address):*

SURETY *(name and address of principal place of business):*

OWNER *(name and address):*

CITY OF CELINA

142 N. OHIO DRIVE, CELINA, TX 75009

CONSTRUCTION CONTRACT

Effective Date of the Agreement:

Amount:

Description *(name and location)*: PROJECT # R14 - 2018 STREET IMPROVEMETS, CELINA, TX

BOND

Bond Number:

Date *(not earlier than the Effective Date of the Agreement of the Construction Contract)*:

Amount:

Modifications to this Bond Form: ☐ None ☐ See Paragraph 18

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Payment Bond to be duly executed by an authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

SURETY

(seal)

Contractor's Name and Corporate Seal

By: _____

Signature

Print Name

Title

Attest: _____

Signature

Title

(seal)

Surety's Name and Corporate Seal

By: _____

Signature *(attach power of attorney)*

Print Name

Title

Attest: _____

Signature

Title

Notes: (1) Provide supplemental execution by any additional parties, such as joint venturers. (2) Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

1. The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner to pay for labor, materials, and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.
2. If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies, and holds harmless the Owner from claims, demands, liens, or suits by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.
3. If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 13) of claims, demands, liens, or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, and tendered defense of such claims, demands, liens, or suits to the Contractor and the Surety.
4. When the Owner has satisfied the conditions in Paragraph 3, the Surety shall promptly and at the Surety's expense defend, indemnify, and hold harmless the Owner against a duly tendered claim, demand, lien, or suit.
5. The Surety's obligations to a Claimant under this Bond shall arise after the following:
 - 5.1 Claimants who do not have a direct contract with the Contractor,
 - 5.1.1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
 - 5.1.2 have sent a Claim to the Surety (at the address described in Paragraph 13).
 - 5.2 Claimants who are employed by or have a direct contract with the Contractor have sent a Claim to the Surety (at the address described in Paragraph 13).
6. If a notice of non-payment required by Paragraph 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Paragraph 5.1.1.
7. When a Claimant has satisfied the conditions of Paragraph 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:
 - 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and
 - 7.2 Pay or arrange for payment of any undisputed amounts.
 - 7.3 The Surety's failure to discharge its obligations under Paragraph 7.1 or 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Paragraph 7.1 or 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.
8. The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Paragraph 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.
9. Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.
10. The Surety shall not be liable to the Owner, Claimants, or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to or give notice on behalf of Claimants, or otherwise have any obligations to Claimants under this Bond.

11. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.
12. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Paragraph 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
13. Notice and Claims to the Surety, the Owner, or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.
14. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
15. Upon requests by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.
16. **Definitions**
 - 16.1 **Claim:** A written statement by the Claimant including at a minimum:
 1. The name of the Claimant;
 2. The name of the person for whom the labor was done, or materials or equipment furnished;
 3. A copy of the agreement or purchase order pursuant to which labor, materials, or equipment was furnished for use in the performance of the Construction Contract;
 4. A brief description of the labor, materials, or equipment furnished;
 5. The date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
 - 16.2 **Claimant:** An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials, or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms of "labor, materials, or equipment" that part of the water, gas, power, light, heat, oil, gasoline, telephone service, or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials, or equipment were furnished.
 - 16.3 **Construction Contract:** The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.
 - 16.4 **Owner Default:** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.
 - 16.5 **Contract Documents:** All the documents that comprise the agreement between the Owner and Contractor.
17. If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.
18. Modifications to this Bond are as follows:
6. The total amount earned by the Claimant for labor, materials, or equipment furnished as of the date of the Claim;
7. The total amount of previous payments received by the Claimant; and
8. The total amount due and unpaid to the Claimant for labor, materials, or equipment furnished as of the date of the Claim.

**SECTION 00520
MAINTENANCE BOND**

STATE OF TEXAS §

COUNTY OF §

THAT _____ as principal and _____ a corporation organized under the laws of _____ and _____ as sureties, said sureties being authorized to do business in the State of Texas, do hereby expressly acknowledge themselves to be held and bound to pay unto the CITY OF CELINA, TX (OWNER), a municipal corporation, the sum of _____ dollars (\$_____) (10% of contract amount) for the payment of which sum will and truly to be made unto said OWNER, and its successors, said principal and sureties do hereby bind themselves, their assigns, and successors jointly and severally.

This obligation is conditioned, however, that whereas said _____ (Contractor) has this day entered into a written contract with the said OWNER to build and construct **PROJECT R14 – 2018 STREET IMPROVEMENTS** which contract and the plans and specifications therein mentioned adopted by the OWNER, are hereby expressly made a part hereof as though the same were written and embodied herein.

WHEREAS, under the plans, specifications, and contract, it is provided that the Contractor will maintain and keep in good repair the work herein contracted to be done and performed for a period of Two (2) Year from the date of acceptance, and to do all necessary backfilling that may arise on account of sunken conditions in ditches, or otherwise, and to do and perform all necessary work and repair any defective condition growing out of or arising from the improper joining of the same, or on account of any breaking of the same caused by the said Contractor, in laying or building the same, or on account of any defect arising in any of said part of said work laid or contracted by the said Contractor, or on account of improper excavation or backfilling; it begin understood that the purpose of this section is to cover all defective conditions arising by reason of defective materials, work or labor performed by the said Contractor; and in case the said Contractor shall fail to do, it is agreed that the OWNER may do said work and supply such materials, and charge the same against the said Contractor and sureties on this obligation, and the said Contractor and sureties hereon shall be subject to the liquidated damages mentioned in said contract for each days failure on its part to comply with the terms of the said provisions of said contract;

NOW, THEREFORE, if the said Contractor shall keep and perform its said agreement to maintain said work and keep the same in repair for the said maintenance period of Two (2) Year, as provided, then these presents shall be null and void and have no further effect, but if default shall be made by the said Contractor in the performance of its contract to so maintain and repair said work, then these presents shall have full force and effect, and said OWNER shall have and recover from the Contractor and its sureties damages in the premises, as provide, and it is further understood and agreed that this obligation shall be a continuing one against the principal and sureties hereon and that successive recoveries may be had hereon for successive branches until

the full amount shall have been exhausted; and it is further understood that the obligation herein to maintain said work shall continue throughout said maintenance period, and the same shall not be changed, diminished, or in any manner affected from any cause during said time.

IN WITNESS WHEREOF, the said _____ has caused these presents to be executed by _____ and the said _____ has hereunto set his hand this the _____ day of _____, 2018.

_____	_____
Principal	Surety
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Address: _____	Address: _____
_____	_____

The name and address of the Resident Agent of Surety is:

Name: _____

Address: _____

Executed ____ originals

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

CERTIFICATE OF INSURANCE

Issued To: CITY OF CELINA, TX

Address: 142 N. OHIO DRIVE, CELINA, TX 75009

THIS IS TO CERTIFY to CITY OF CELINA, TX (Owner) that the following policies of insurance, subject to their terms, conditions and exclusions, have been issued by this Company covering the insured named below for the types of operations and at the locations described herein. It is understood and agreed that none of the policies referenced herein will be canceled, changed, or reduced in coverage without at least (30) thirty days advance written notice to the CITY OF CELINA, TX (Owner) at the above address.

1. Name of Insured:

2. Address:

3. Status of Insured: Corporation:

Partnership: _____; Individual: _____

Other: _____

4. Location of Operations Covered:

5. Description of Operations Covered:

THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY OR NEGATIVELY AMENDS, EXTENDS, OR ALTERS THE COVERAGE AFFORDED BY THE POLICIES DESIGNATED HEREIN.

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

INSURANCE POLICIES IN FORCE

INSURANCE AFFORDED ONLY FOR HAZARDS INDICATED BY (X)

Type of Policy	X	Limits of Liability	Policy Number	Policy Term
(a) Standard Workmen's Compensation & Employer's and Occupational Disease Liability		Statutory W. C. Each Occurrence \$ _____ Aggregate Disease \$ _____		From: To:
(b) Longshoremen's & Harbor Workers Compensation		Statutory		From: To:
(c) General Liability <u>Bodily Injury</u> Premises – Operation Contractor's Protective Products & Completed Operations Contractual <u>Property Damage</u> Contractual Explosion, Collapse & Underground Damage (X.C.U.)		Each Person \$ _____ Each Occurrence \$ _____ Aggregate Products \$ _____ & Completed Operations Each Occurrence \$ _____ Aggregate Prem. Oper. \$ _____ Aggregate Protective \$ _____ Aggregate Products & \$ _____ Completed Operations Aggregate Contractual \$ _____ Aggregate X.C.U. \$ _____		From: To:
(d) Automobile Liability <u>Bodily Injury</u> Owned Automobiles Hired Automobiles Non-Owned Automobiles <u>Property Damage</u> Owned Automobiles Hired Automobiles Non-Owned Automobiles		Each Person \$ _____ Each Occurrence \$ _____ Each Occurrence \$ _____		From: To:
(e) <u>Other Insurance</u>				

CONTRACTUAL LIABILITY

Subject to policy terms, conditions and exclusions, specific Contractual Liability coverage is provided as follows:

- ☐ For liability assumed by the Insured under its Contract with _____ (Owner) for the operations described herein.
- ☐ All Contracts between the Insured and _____ (Owner).

Insurance Company

By: _____
Authorized Representative

Address

Date: _____

SECTION 00600
EQUAL EMPLOYMENT OPPORTUNITY

PART 1 - GENERAL

1.1 DESCRIPTION

- A. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The Contractor shall implement affirmative action steps at least as extensive as described herein.

1.2 WORKING ENVIRONMENT

- A. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two (2) or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

1.3 ON-THE-JOB TRAINING

- A. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs.

1.4 REVIEW

- A. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

1.5 DISSEMINATION

- A. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

1.6 RECRUITMENT

- A. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one (1) month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

1.7 INVENTORY

- A. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

1.8 MONITORING

- A. Ensure that seniority practices, job classifications, work assignments, and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

1.9 FACILITIES

- A. Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

1.10 RECORDS

- A. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

1.11 ADHERENCE

- A. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

END OF SECTION

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

Prepared by

ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

and

Issued and Published Jointly by



AMERICAN COUNCIL OF ENGINEERING COMPANIES

ASSOCIATED GENERAL CONTRACTORS OF AMERICA

AMERICAN SOCIETY OF CIVIL ENGINEERS

PROFESSIONAL ENGINEERS IN PRIVATE PRACTICE
A Practice Division of the
NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

Endorsed by



CONSTRUCTION SPECIFICATIONS INSTITUTE

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

These General Conditions have been prepared for use with the Suggested Forms of Agreement Between Owner and Contractor (EJCDC C-520 or C-525, 2007 Editions). Their provisions are interrelated and a change in one may necessitate a change in the other. Comments concerning their usage are contained in the Narrative Guide to the EJCDC Construction Documents (EJCDC C-001, 2007 Edition). For guidance in the preparation of Supplementary Conditions, see Guide to the Preparation of Supplementary Conditions (EJCDC C-800, 2007 Edition).

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www.agc.org

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STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

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ARTICLE 1 – DEFINITIONS AND TERMINOLOGY

1.01 *Defined Terms*

- A. Wherever used in the Bidding Requirements or Contract Documents and printed with initial capital letters, the terms listed below will have the meanings indicated which are applicable to both the singular and plural thereof. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.
1. *Addenda*—Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the proposed Contract Documents.
 2. *Agreement*—The written instrument which is evidence of the agreement between Owner and Contractor covering the Work.
 3. *Application for Payment*—The form acceptable to Engineer which is to be used by Contractor during the course of the Work in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Contract Documents.
 4. *Asbestos*—Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.
 5. *Bid*—The offer or proposal of a Bidder submitted on the prescribed form setting forth the prices for the Work to be performed.
 6. *Bidder*—The individual or entity who submits a Bid directly to Owner.
 7. *Bidding Documents*—The Bidding Requirements and the proposed Contract Documents (including all Addenda).
 8. *Bidding Requirements*—The advertisement or invitation to bid, Instructions to Bidders, Bid security of acceptable form, if any, and the Bid Form with any supplements.
 9. *Change Order*—A document recommended by Engineer which is signed by Contractor and Owner and authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, issued on or after the Effective Date of the Agreement.
 10. *Claim*—A demand or assertion by Owner or Contractor seeking an adjustment of Contract Price or Contract Times, or both, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Claim.
 11. *Contract*—The entire and integrated written agreement between the Owner and Contractor concerning the Work. The Contract supersedes prior negotiations, representations, or agreements, whether written or oral.

12. *Contract Documents*—Those items so designated in the Agreement. Only printed or hard copies of the items listed in the Agreement are Contract Documents. Approved Shop Drawings, other Contractor submittals, and the reports and drawings of subsurface and physical conditions are not Contract Documents.
13. *Contract Price*—The moneys payable by Owner to Contractor for completion of the Work in accordance with the Contract Documents as stated in the Agreement (subject to the provisions of Paragraph 11.03 in the case of Unit Price Work).
14. *Contract Times*—The number of days or the dates stated in the Agreement to: (i) achieve Milestones, if any; (ii) achieve Substantial Completion; and (iii) complete the Work so that it is ready for final payment as evidenced by Engineer's written recommendation of final payment.
15. *Contractor*—The individual or entity with whom Owner has entered into the Agreement.
16. *Cost of the Work*—See Paragraph 11.01 for definition.
17. *Drawings*—That part of the Contract Documents prepared or approved by Engineer which graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop Drawings and other Contractor submittals are not Drawings as so defined.
18. *Effective Date of the Agreement*—The date indicated in the Agreement on which it becomes effective, but if no such date is indicated, it means the date on which the Agreement is signed and delivered by the last of the two parties to sign and deliver.
19. *Engineer*—The individual or entity named as such in the Agreement.
20. *Field Order*—A written order issued by Engineer which requires minor changes in the Work but which does not involve a change in the Contract Price or the Contract Times.
21. *General Requirements*—Sections of Division 1 of the Specifications.
22. *Hazardous Environmental Condition*—The presence at the Site of Asbestos, PCBs, Petroleum, Hazardous Waste, or Radioactive Material in such quantities or circumstances that may present a substantial danger to persons or property exposed thereto.
23. *Hazardous Waste*—The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.
24. *Laws and Regulations; Laws or Regulations*—Any and all applicable laws, rules, regulations, ordinances, codes, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.
25. *Liens*—Charges, security interests, or encumbrances upon Project funds, real property, or personal property.
26. *Milestone*—A principal event specified in the Contract Documents relating to an intermediate completion date or time prior to Substantial Completion of all the Work.

27. *Notice of Award*—The written notice by Owner to the Successful Bidder stating that upon timely compliance by the Successful Bidder with the conditions precedent listed therein, Owner will sign and deliver the Agreement.
28. *Notice to Proceed*—A written notice given by Owner to Contractor fixing the date on which the Contract Times will commence to run and on which Contractor shall start to perform the Work under the Contract Documents.
29. *Owner*—The individual or entity with whom Contractor has entered into the Agreement and for whom the Work is to be performed.
30. *PCBs*—Polychlorinated biphenyls.
31. *Petroleum*—Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other non-Hazardous Waste and crude oils.
32. *Progress Schedule*—A schedule, prepared and maintained by Contractor, describing the sequence and duration of the activities comprising the Contractor's plan to accomplish the Work within the Contract Times.
33. *Project*—The total construction of which the Work to be performed under the Contract Documents may be the whole, or a part.
34. *Project Manual*—The bound documentary information prepared for bidding and constructing the Work. A listing of the contents of the Project Manual, which may be bound in one or more volumes, is contained in the table(s) of contents.
35. *Radioactive Material*—Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 et seq.) as amended from time to time.
36. *Resident Project Representative*—The authorized representative of Engineer who may be assigned to the Site or any part thereof.
37. *Samples*—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.
38. *Schedule of Submittals*—A schedule, prepared and maintained by Contractor, of required submittals and the time requirements to support scheduled performance of related construction activities.
39. *Schedule of Values*—A schedule, prepared and maintained by Contractor, allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing Contractor's Applications for Payment.

40. *Shop Drawings*—All drawings, diagrams, illustrations, schedules, and other data or information which are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work.
41. *Site*—Lands or areas indicated in the Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements for access thereto, and such other lands furnished by Owner which are designated for the use of Contractor.
42. *Specifications*—That part of the Contract Documents consisting of written requirements for materials, equipment, systems, standards and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable thereto.
43. *Subcontractor*—An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work at the Site.
44. *Substantial Completion*—The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms “substantially complete” and “substantially completed” as applied to all or part of the Work refer to Substantial Completion thereof.
45. *Successful Bidder*—The Bidder submitting a responsive Bid to whom Owner makes an award.
46. *Supplementary Conditions*—That part of the Contract Documents which amends or supplements these General Conditions.
47. *Supplier*—A manufacturer, fabricator, supplier, distributor, materialman, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or Subcontractor.
48. *Underground Facilities*—All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.
49. *Unit Price Work*—Work to be paid for on the basis of unit prices.
50. *Work*—The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction, and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.
51. *Work Change Directive*—A written statement to Contractor issued on or after the Effective Date of the Agreement and signed by Owner and recommended by Engineer ordering an

addition, deletion, or revision in the Work, or responding to differing or unforeseen subsurface or physical conditions under which the Work is to be performed or to emergencies. A Work Change Directive will not change the Contract Price or the Contract Times but is evidence that the parties expect that the change ordered or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order following negotiations by the parties as to its effect, if any, on the Contract Price or Contract Times.

1.02 Terminology

A. The words and terms discussed in Paragraph 1.02.B through F are not defined but, when used in the Bidding Requirements or Contract Documents, have the indicated meaning.

B. *Intent of Certain Terms or Adjectives:*

1. The Contract Documents include the terms “as allowed,” “as approved,” “as ordered,” “as directed” or terms of like effect or import to authorize an exercise of professional judgment by Engineer. In addition, the adjectives “reasonable,” “suitable,” “acceptable,” “proper,” “satisfactory,” or adjectives of like effect or import are used to describe an action or determination of Engineer as to the Work. It is intended that such exercise of professional judgment, action, or determination will be solely to evaluate, in general, the Work for compliance with the information in the Contract Documents and with the design concept of the Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective is not intended to and shall not be effective to assign to Engineer any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility contrary to the provisions of Paragraph 9.09 or any other provision of the Contract Documents.

C. *Day:*

1. The word “day” means a calendar day of 24 hours measured from midnight to the next midnight.

D. *Defective:*

1. The word “defective,” when modifying the word “Work,” refers to Work that is unsatisfactory, faulty, or deficient in that it:
 - a. does not conform to the Contract Documents; or
 - b. does not meet the requirements of any applicable inspection, reference standard, test, or approval referred to in the Contract Documents; or
 - c. has been damaged prior to Engineer’s recommendation of final payment (unless responsibility for the protection thereof has been assumed by Owner at Substantial Completion in accordance with Paragraph 14.04 or 14.05).

E. *Furnish, Install, Perform, Provide:*

1. The word “furnish,” when used in connection with services, materials, or equipment, shall mean to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.
 2. The word “install,” when used in connection with services, materials, or equipment, shall mean to put into use or place in final position said services, materials, or equipment complete and ready for intended use.
 3. The words “perform” or “provide,” when used in connection with services, materials, or equipment, shall mean to furnish and install said services, materials, or equipment complete and ready for intended use.
 4. When “furnish,” “install,” “perform,” or “provide” is not used in connection with services, materials, or equipment in a context clearly requiring an obligation of Contractor, “provide” is implied.
- F. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

ARTICLE 2 – PRELIMINARY MATTERS

2.01 *Delivery of Bonds and Evidence of Insurance*

- A. When Contractor delivers the executed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner such bonds as Contractor may be required to furnish.
- B. *Evidence of Insurance:* Before any Work at the Site is started, Contractor and Owner shall each deliver to the other, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance which either of them or any additional insured may reasonably request) which Contractor and Owner respectively are required to purchase and maintain in accordance with Article 5.

2.02 *Copies of Documents*

- A. Owner shall furnish to Contractor up to ten printed or hard copies of the Drawings and Project Manual. Additional copies will be furnished upon request at the cost of reproduction.

2.03 *Commencement of Contract Times; Notice to Proceed*

- A. The Contract Times will commence to run on the thirtieth day after the Effective Date of the Agreement or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Agreement. In no event will the Contract Times commence to run later than the sixtieth day after the day of Bid opening or the thirtieth day after the Effective Date of the Agreement, whichever date is earlier.

2.04 *Starting the Work*

- A. Contractor shall start to perform the Work on the date when the Contract Times commence to run. No Work shall be done at the Site prior to the date on which the Contract Times commence to run.

2.05 *Before Starting Construction*

- A. *Preliminary Schedules:* Within 10 days after the Effective Date of the Agreement (unless otherwise specified in the General Requirements), Contractor shall submit to Engineer for timely review:
 1. a preliminary Progress Schedule indicating the times (numbers of days or dates) for starting and completing the various stages of the Work, including any Milestones specified in the Contract Documents;
 2. a preliminary Schedule of Submittals; and
 3. a preliminary Schedule of Values for all of the Work which includes quantities and prices of items which when added together equal the Contract Price and subdivides the Work into component parts in sufficient detail to serve as the basis for progress payments during performance of the Work. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

2.06 *Preconstruction Conference; Designation of Authorized Representatives*

- A. Before any Work at the Site is started, a conference attended by Owner, Contractor, Engineer, and others as appropriate will be held to establish a working understanding among the parties as to the Work and to discuss the schedules referred to in Paragraph 2.05.A, procedures for handling Shop Drawings and other submittals, processing Applications for Payment, and maintaining required records.
- B. At this conference Owner and Contractor each shall designate, in writing, a specific individual to act as its authorized representative with respect to the services and responsibilities under the Contract. Such individuals shall have the authority to transmit instructions, receive information, render decisions relative to the Contract, and otherwise act on behalf of each respective party.

2.07 *Initial Acceptance of Schedules*

- A. At least 10 days before submission of the first Application for Payment a conference attended by Contractor, Engineer, and others as appropriate will be held to review for acceptability to Engineer as provided below the schedules submitted in accordance with Paragraph 2.05.A. Contractor shall have an additional 10 days to make corrections and adjustments and to complete and resubmit the schedules. No progress payment shall be made to Contractor until acceptable schedules are submitted to Engineer.
 1. The Progress Schedule will be acceptable to Engineer if it provides an orderly progression of the Work to completion within the Contract Times. Such acceptance will not impose on Engineer responsibility for the Progress Schedule, for sequencing, scheduling, or progress of

the Work, nor interfere with or relieve Contractor from Contractor's full responsibility therefor.

2. Contractor's Schedule of Submittals will be acceptable to Engineer if it provides a workable arrangement for reviewing and processing the required submittals.
3. Contractor's Schedule of Values will be acceptable to Engineer as to form and substance if it provides a reasonable allocation of the Contract Price to component parts of the Work.

ARTICLE 3 – CONTRACT DOCUMENTS: INTENT, AMENDING, REUSE

3.01 *Intent*

- A. The Contract Documents are complementary; what is required by one is as binding as if required by all.
- B. It is the intent of the Contract Documents to describe a functionally complete project (or part thereof) to be constructed in accordance with the Contract Documents. Any labor, documentation, services, materials, or equipment that reasonably may be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the indicated result will be provided whether or not specifically called for, at no additional cost to Owner.
- C. Clarifications and interpretations of the Contract Documents shall be issued by Engineer as provided in Article 9.

3.02 *Reference Standards*

- A. Standards, Specifications, Codes, Laws, and Regulations
 1. Reference to standards, specifications, manuals, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, shall mean the standard, specification, manual, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Agreement if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.
 2. No provision of any such standard, specification, manual, or code, or any instruction of a Supplier, shall be effective to change the duties or responsibilities of Owner, Contractor, or Engineer, or any of their subcontractors, consultants, agents, or employees, from those set forth in the Contract Documents. No such provision or instruction shall be effective to assign to Owner, Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of the Contract Documents.

3.03 *Reporting and Resolving Discrepancies*

A. *Reporting Discrepancies:*

1. *Contractor's Review of Contract Documents Before Starting Work:* Before undertaking each part of the Work, Contractor shall carefully study and compare the Contract Documents and check and verify pertinent figures therein and all applicable field measurements. Contractor shall promptly report in writing to Engineer any conflict, error, ambiguity, or discrepancy which Contractor discovers, or has actual knowledge of, and shall obtain a written interpretation or clarification from Engineer before proceeding with any Work affected thereby.
2. *Contractor's Review of Contract Documents During Performance of Work:* If, during the performance of the Work, Contractor discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents, or between the Contract Documents and (a) any applicable Law or Regulation, (b) any standard, specification, manual, or code, or (c) any instruction of any Supplier, then Contractor shall promptly report it to Engineer in writing. Contractor shall not proceed with the Work affected thereby (except in an emergency as required by Paragraph 6.16.A) until an amendment or supplement to the Contract Documents has been issued by one of the methods indicated in Paragraph 3.04.
3. Contractor shall not be liable to Owner or Engineer for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless Contractor had actual knowledge thereof.

B. *Resolving Discrepancies:*

1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the Contract Documents shall take precedence in resolving any conflict, error, ambiguity, or discrepancy between the provisions of the Contract Documents and:
 - a. the provisions of any standard, specification, manual, or code, or the instruction of any Supplier (whether or not specifically incorporated by reference in the Contract Documents); or
 - b. the provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

3.04 *Amending and Supplementing Contract Documents*

- A. The Contract Documents may be amended to provide for additions, deletions, and revisions in the Work or to modify the terms and conditions thereof by either a Change Order or a Work Change Directive.
- B. The requirements of the Contract Documents may be supplemented, and minor variations and deviations in the Work may be authorized, by one or more of the following ways:
 1. A Field Order;
 2. Engineer's approval of a Shop Drawing or Sample (subject to the provisions of Paragraph 6.17.D.3); or

3. Engineer's written interpretation or clarification.

3.05 *Reuse of Documents*

A. Contractor and any Subcontractor or Supplier shall not:

1. have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) prepared by or bearing the seal of Engineer or its consultants, including electronic media editions; or
2. reuse any such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of Owner and Engineer and specific written verification or adaptation by Engineer.

- B. The prohibitions of this Paragraph 3.05 will survive final payment, or termination of the Contract. Nothing herein shall preclude Contractor from retaining copies of the Contract Documents for record purposes.

3.06 *Electronic Data*

- A. Unless otherwise stated in the Supplementary Conditions, the data furnished by Owner or Engineer to Contractor, or by Contractor to Owner or Engineer, that may be relied upon are limited to the printed copies (also known as hard copies). Files in electronic media format of text, data, graphics, or other types are furnished only for the convenience of the receiving party. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.
- B. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 60 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by the transferring party.
- C. When transferring documents in electronic media format, the transferring party makes no representations as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by the data's creator.

ARTICLE 4 – AVAILABILITY OF LANDS; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS; REFERENCE POINTS

4.01 *Availability of Lands*

- A. Owner shall furnish the Site. Owner shall notify Contractor of any encumbrances or restrictions not of general application but specifically related to use of the Site with which Contractor must comply in performing the Work. Owner will obtain in a timely manner and pay for easements for permanent structures or permanent changes in existing facilities. If Contractor and Owner are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the

Contract Price or Contract Times, or both, as a result of any delay in Owner's furnishing the Site or a part thereof, Contractor may make a Claim therefor as provided in Paragraph 10.05.

- B. Upon reasonable written request, Owner shall furnish Contractor with a current statement of record legal title and legal description of the lands upon which the Work is to be performed and Owner's interest therein as necessary for giving notice of or filing a mechanic's or construction lien against such lands in accordance with applicable Laws and Regulations.
- C. Contractor shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

4.02 *Subsurface and Physical Conditions*

A. *Reports and Drawings:* The Supplementary Conditions identify:

- 1. those reports known to Owner of explorations and tests of subsurface conditions at or contiguous to the Site; and
- 2. those drawings known to Owner of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities).

B. *Limited Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the "technical data" contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such "technical data" is identified in the Supplementary Conditions. Except for such reliance on such "technical data," Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors with respect to:

- 1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or
- 2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
- 3. any Contractor interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions, or information.

4.03 *Differing Subsurface or Physical Conditions*

A. *Notice:* If Contractor believes that any subsurface or physical condition that is uncovered or revealed either:

- 1. is of such a nature as to establish that any "technical data" on which Contractor is entitled to rely as provided in Paragraph 4.02 is materially inaccurate; or
- 2. is of such a nature as to require a change in the Contract Documents; or
- 3. differs materially from that shown or indicated in the Contract Documents; or

4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 6.16.A), notify Owner and Engineer in writing about such condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except as aforesaid) until receipt of written order to do so.

- B. *Engineer's Review*: After receipt of written notice as required by Paragraph 4.03.A, Engineer will promptly review the pertinent condition, determine the necessity of Owner's obtaining additional exploration or tests with respect thereto, and advise Owner in writing (with a copy to Contractor) of Engineer's findings and conclusions.

C. *Possible Price and Times Adjustments*:

1. The Contract Price or the Contract Times, or both, will be equitably adjusted to the extent that the existence of such differing subsurface or physical condition causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:
 - a. such condition must meet any one or more of the categories described in Paragraph 4.03.A; and
 - b. with respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraphs 9.07 and 11.03.
2. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times if:
 - a. Contractor knew of the existence of such conditions at the time Contractor made a final commitment to Owner with respect to Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract; or
 - b. the existence of such condition could reasonably have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and contiguous areas required by the Bidding Requirements or Contract Documents to be conducted by or for Contractor prior to Contractor's making such final commitment; or
 - c. Contractor failed to give the written notice as required by Paragraph 4.03.A.
3. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, a Claim may be made therefor as provided in Paragraph 10.05. However, neither Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors shall be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project.

4.04 *Underground Facilities*

A. *Shown or Indicated:* The information and data shown or indicated in the Contract Documents with respect to existing Underground Facilities at or contiguous to the Site is based on information and data furnished to Owner or Engineer by the owners of such Underground Facilities, including Owner, or by others. Unless it is otherwise expressly provided in the Supplementary Conditions:

1. Owner and Engineer shall not be responsible for the accuracy or completeness of any such information or data provided by others; and
2. the cost of all of the following will be included in the Contract Price, and Contractor shall have full responsibility for:
 - a. reviewing and checking all such information and data;
 - b. locating all Underground Facilities shown or indicated in the Contract Documents;
 - c. coordination of the Work with the owners of such Underground Facilities, including Owner, during construction; and
 - d. the safety and protection of all such Underground Facilities and repairing any damage thereto resulting from the Work.

B. *Not Shown or Indicated:*

1. If an Underground Facility is uncovered or revealed at or contiguous to the Site which was not shown or indicated, or not shown or indicated with reasonable accuracy in the Contract Documents, Contractor shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by Paragraph 6.16.A), identify the owner of such Underground Facility and give written notice to that owner and to Owner and Engineer. Engineer will promptly review the Underground Facility and determine the extent, if any, to which a change is required in the Contract Documents to reflect and document the consequences of the existence or location of the Underground Facility. During such time, Contractor shall be responsible for the safety and protection of such Underground Facility.
2. If Engineer concludes that a change in the Contract Documents is required, a Work Change Directive or a Change Order will be issued to reflect and document such consequences. An equitable adjustment shall be made in the Contract Price or Contract Times, or both, to the extent that they are attributable to the existence or location of any Underground Facility that was not shown or indicated or not shown or indicated with reasonable accuracy in the Contract Documents and that Contractor did not know of and could not reasonably have been expected to be aware of or to have anticipated. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment in Contract Price or Contract Times, Owner or Contractor may make a Claim therefor as provided in Paragraph 10.05.

4.05 *Reference Points*

- A. Owner shall provide engineering surveys to establish reference points for construction which in Engineer's judgment are necessary to enable Contractor to proceed with the Work. Contractor shall be responsible for laying out the Work, shall protect and preserve the established reference points and property monuments, and shall make no changes or relocations without the prior written approval of Owner. Contractor shall report to Engineer whenever any reference point or property monument is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points or property monuments by professionally qualified personnel.

4.06 *Hazardous Environmental Condition at Site*

- A. *Reports and Drawings:* The Supplementary Conditions identify those reports and drawings known to Owner relating to Hazardous Environmental Conditions that have been identified at the Site.
- B. *Limited Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the "technical data" contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such "technical data" is identified in the Supplementary Conditions. Except for such reliance on such "technical data," Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors with respect to:
 1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures of construction to be employed by Contractor and safety precautions and programs incident thereto; or
 2. other data, interpretations, opinions and information contained in such reports or shown or indicated in such drawings; or
 3. any Contractor interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions or information.
- C. Contractor shall not be responsible for any Hazardous Environmental Condition uncovered or revealed at the Site which was not shown or indicated in Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work. Contractor shall be responsible for a Hazardous Environmental Condition created with any materials brought to the Site by Contractor, Subcontractors, Suppliers, or anyone else for whom Contractor is responsible.
- D. If Contractor encounters a Hazardous Environmental Condition or if Contractor or anyone for whom Contractor is responsible creates a Hazardous Environmental Condition, Contractor shall immediately: (i) secure or otherwise isolate such condition; (ii) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by Paragraph 6.16.A); and (iii) notify Owner and Engineer (and promptly thereafter confirm such notice in writing). Owner shall promptly consult with Engineer concerning the necessity for Owner to retain a qualified expert to evaluate such condition or take corrective action, if any. Promptly after consulting with Engineer, Owner shall take such actions as are necessary to

permit Owner to timely obtain required permits and provide Contractor the written notice required by Paragraph 4.06.E.

- E. Contractor shall not be required to resume Work in connection with such condition or in any affected area until after Owner has obtained any required permits related thereto and delivered written notice to Contractor: (i) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work; or (ii) specifying any special conditions under which such Work may be resumed safely. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times, or both, as a result of such Work stoppage or such special conditions under which Work is agreed to be resumed by Contractor, either party may make a Claim therefor as provided in Paragraph 10.05.
- F. If after receipt of such written notice Contractor does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then Owner may order the portion of the Work that is in the area affected by such condition to be deleted from the Work. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of an adjustment in Contract Price or Contract Times as a result of deleting such portion of the Work, then either party may make a Claim therefor as provided in Paragraph 10.05. Owner may have such deleted portion of the Work performed by Owner's own forces or others in accordance with Article 7.
- G. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition, provided that such Hazardous Environmental Condition: (i) was not shown or indicated in the Drawings or Specifications or identified in the Contract Documents to be included within the scope of the Work, and (ii) was not created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 4.06.G shall obligate Owner to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- H. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 4.06.H shall obligate Contractor to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- I. The provisions of Paragraphs 4.02, 4.03, and 4.04 do not apply to a Hazardous Environmental Condition uncovered or revealed at the Site.

ARTICLE 5 – BONDS AND INSURANCE

5.01 *Performance, Payment, and Other Bonds*

- A. Contractor shall furnish performance and payment bonds, each in an amount at least equal to the Contract Price as security for the faithful performance and payment of all of Contractor's obligations under the Contract Documents. These bonds shall remain in effect until one year after the date when final payment becomes due or until completion of the correction period specified in Paragraph 13.07, whichever is later, except as provided otherwise by Laws or Regulations or by the Contract Documents. Contractor shall also furnish such other bonds as are required by the Contract Documents.
- B. All bonds shall be in the form prescribed by the Contract Documents except as provided otherwise by Laws or Regulations, and shall be executed by such sureties as are named in the list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Financial Management Service, Surety Bond Branch, U.S. Department of the Treasury. All bonds signed by an agent or attorney-in-fact must be accompanied by a certified copy of that individual's authority to bind the surety. The evidence of authority shall show that it is effective on the date the agent or attorney-in-fact signed each bond.
- C. If the surety on any bond furnished by Contractor is declared bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Project is located or it ceases to meet the requirements of Paragraph 5.01.B, Contractor shall promptly notify Owner and Engineer and shall, within 20 days after the event giving rise to such notification, provide another bond and surety, both of which shall comply with the requirements of Paragraphs 5.01.B and 5.02.

5.02 *Licensed Sureties and Insurers*

- A. All bonds and insurance required by the Contract Documents to be purchased and maintained by Owner or Contractor shall be obtained from surety or insurance companies that are duly licensed or authorized in the jurisdiction in which the Project is located to issue bonds or insurance policies for the limits and coverages so required. Such surety and insurance companies shall also meet such additional requirements and qualifications as may be provided in the Supplementary Conditions.

5.03 *Certificates of Insurance*

- A. Contractor shall deliver to Owner, with copies to each additional insured and loss payee identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by Owner or any other additional insured) which Contractor is required to purchase and maintain.
- B. Owner shall deliver to Contractor, with copies to each additional insured and loss payee identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by Contractor or any other additional insured) which Owner is required to purchase and maintain.

- C. Failure of Owner to demand such certificates or other evidence of Contractor's full compliance with these insurance requirements or failure of Owner to identify a deficiency in compliance from the evidence provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.
- D. Owner does not represent that insurance coverage and limits established in this Contract necessarily will be adequate to protect Contractor.
- E. The insurance and insurance limits required herein shall not be deemed as a limitation on Contractor's liability under the indemnities granted to Owner in the Contract Documents.

5.04 *Contractor's Insurance*

- A. Contractor shall purchase and maintain such insurance as is appropriate for the Work being performed and as will provide protection from claims set forth below which may arise out of or result from Contractor's performance of the Work and Contractor's other obligations under the Contract Documents, whether it is to be performed by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable:
 - 1. claims under workers' compensation, disability benefits, and other similar employee benefit acts;
 - 2. claims for damages because of bodily injury, occupational sickness or disease, or death of Contractor's employees;
 - 3. claims for damages because of bodily injury, sickness or disease, or death of any person other than Contractor's employees;
 - 4. claims for damages insured by reasonably available personal injury liability coverage which are sustained:
 - a. by any person as a result of an offense directly or indirectly related to the employment of such person by Contractor, or
 - b. by any other person for any other reason;
 - 5. claims for damages, other than to the Work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom; and
 - 6. claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.
- B. The policies of insurance required by this Paragraph 5.04 shall:
 - 1. with respect to insurance required by Paragraphs 5.04.A.3 through 5.04.A.6 inclusive, be written on an occurrence basis, include as additional insureds (subject to any customary exclusion regarding professional liability) Owner and Engineer, and any other individuals or entities identified in the Supplementary Conditions, all of whom shall be listed as additional insureds, and include coverage for the respective officers, directors, members, partners,

employees, agents, consultants, and subcontractors of each and any of all such additional insureds, and the insurance afforded to these additional insureds shall provide primary coverage for all claims covered thereby;

2. include at least the specific coverages and be written for not less than the limits of liability provided in the Supplementary Conditions or required by Laws or Regulations, whichever is greater;
3. include contractual liability insurance covering Contractor's indemnity obligations under Paragraphs 6.11 and 6.20;
4. contain a provision or endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least 30 days prior written notice has been given to Owner and Contractor and to each other additional insured identified in the Supplementary Conditions to whom a certificate of insurance has been issued (and the certificates of insurance furnished by the Contractor pursuant to Paragraph 5.03 will so provide);
5. remain in effect at least until final payment and at all times thereafter when Contractor may be correcting, removing, or replacing defective Work in accordance with Paragraph 13.07; and
6. include completed operations coverage:
 - a. Such insurance shall remain in effect for two years after final payment.
 - b. Contractor shall furnish Owner and each other additional insured identified in the Supplementary Conditions, to whom a certificate of insurance has been issued, evidence satisfactory to Owner and any such additional insured of continuation of such insurance at final payment and one year thereafter.

5.05 *Owner's Liability Insurance*

- A. In addition to the insurance required to be provided by Contractor under Paragraph 5.04, Owner, at Owner's option, may purchase and maintain at Owner's expense Owner's own liability insurance as will protect Owner against claims which may arise from operations under the Contract Documents.

5.06 *Property Insurance*

- A. Unless otherwise provided in the Supplementary Conditions, Owner shall purchase and maintain property insurance upon the Work at the Site in the amount of the full replacement cost thereof (subject to such deductible amounts as may be provided in the Supplementary Conditions or required by Laws and Regulations). This insurance shall:
 1. include the interests of Owner, Contractor, Subcontractors, and Engineer, and any other individuals or entities identified in the Supplementary Conditions, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of

them, each of whom is deemed to have an insurable interest and shall be listed as a loss payee;

2. be written on a Builder's Risk "all-risk" policy form that shall at least include insurance for physical loss or damage to the Work, temporary buildings, falsework, and materials and equipment in transit, and shall insure against at least the following perils or causes of loss: fire, lightning, extended coverage, theft, vandalism and malicious mischief, earthquake, collapse, debris removal, demolition occasioned by enforcement of Laws and Regulations, water damage (other than that caused by flood), and such other perils or causes of loss as may be specifically required by the Supplementary Conditions.
 3. include expenses incurred in the repair or replacement of any insured property (including but not limited to fees and charges of engineers and architects);
 4. cover materials and equipment stored at the Site or at another location that was agreed to in writing by Owner prior to being incorporated in the Work, provided that such materials and equipment have been included in an Application for Payment recommended by Engineer;
 5. allow for partial utilization of the Work by Owner;
 6. include testing and startup; and
 7. be maintained in effect until final payment is made unless otherwise agreed to in writing by Owner, Contractor, and Engineer with 30 days written notice to each other loss payee to whom a certificate of insurance has been issued.
- B. Owner shall purchase and maintain such equipment breakdown insurance or additional property insurance as may be required by the Supplementary Conditions or Laws and Regulations which will include the interests of Owner, Contractor, Subcontractors, and Engineer, and any other individuals or entities identified in the Supplementary Conditions, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, each of whom is deemed to have an insurable interest and shall be listed as a loss payee.
- C. All the policies of insurance (and the certificates or other evidence thereof) required to be purchased and maintained in accordance with this Paragraph 5.06 will contain a provision or endorsement that the coverage afforded will not be canceled or materially changed or renewal refused until at least 30 days prior written notice has been given to Owner and Contractor and to each other loss payee to whom a certificate of insurance has been issued and will contain waiver provisions in accordance with Paragraph 5.07.
- D. Owner shall not be responsible for purchasing and maintaining any property insurance specified in this Paragraph 5.06 to protect the interests of Contractor, Subcontractors, or others in the Work to the extent of any deductible amounts that are identified in the Supplementary Conditions. The risk of loss within such identified deductible amount will be borne by Contractor, Subcontractors, or others suffering any such loss, and if any of them wishes property insurance coverage within the limits of such amounts, each may purchase and maintain it at the purchaser's own expense.

- E. If Contractor requests in writing that other special insurance be included in the property insurance policies provided under this Paragraph 5.06, Owner shall, if possible, include such insurance, and the cost thereof will be charged to Contractor by appropriate Change Order. Prior to commencement of the Work at the Site, Owner shall in writing advise Contractor whether or not such other insurance has been procured by Owner.

5.07 *Waiver of Rights*

- A. Owner and Contractor intend that all policies purchased in accordance with Paragraph 5.06 will protect Owner, Contractor, Subcontractors, and Engineer, and all other individuals or entities identified in the Supplementary Conditions as loss payees (and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them) in such policies and will provide primary coverage for all losses and damages caused by the perils or causes of loss covered thereby. All such policies shall contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any of the insureds or loss payees thereunder. Owner and Contractor waive all rights against each other and their respective officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them for all losses and damages caused by, arising out of or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Subcontractors and Engineer, and all other individuals or entities identified in the Supplementary Conditions as loss payees (and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them) under such policies for losses and damages so caused. None of the above waivers shall extend to the rights that any party making such waiver may have to the proceeds of insurance held by Owner as trustee or otherwise payable under any policy so issued.
- B. Owner waives all rights against Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them for:
1. loss due to business interruption, loss of use, or other consequential loss extending beyond direct physical loss or damage to Owner's property or the Work caused by, arising out of, or resulting from fire or other perils whether or not insured by Owner; and
 2. loss or damage to the completed Project or part thereof caused by, arising out of, or resulting from fire or other insured peril or cause of loss covered by any property insurance maintained on the completed Project or part thereof by Owner during partial utilization pursuant to Paragraph 14.05, after Substantial Completion pursuant to Paragraph 14.04, or after final payment pursuant to Paragraph 14.07.
- C. Any insurance policy maintained by Owner covering any loss, damage or consequential loss referred to in Paragraph 5.07.B shall contain provisions to the effect that in the event of payment of any such loss, damage, or consequential loss, the insurers will have no rights of recovery against Contractor, Subcontractors, or Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them.

5.08 *Receipt and Application of Insurance Proceeds*

- A. Any insured loss under the policies of insurance required by Paragraph 5.06 will be adjusted with Owner and made payable to Owner as fiduciary for the loss payees, as their interests may appear, subject to the requirements of any applicable mortgage clause and of Paragraph 5.08.B. Owner shall deposit in a separate account any money so received and shall distribute it in accordance with such agreement as the parties in interest may reach. If no other special agreement is reached, the damaged Work shall be repaired or replaced, the moneys so received applied on account thereof, and the Work and the cost thereof covered by an appropriate Change Order.
- B. Owner as fiduciary shall have power to adjust and settle any loss with the insurers unless one of the parties in interest shall object in writing within 15 days after the occurrence of loss to Owner's exercise of this power. If such objection be made, Owner as fiduciary shall make settlement with the insurers in accordance with such agreement as the parties in interest may reach. If no such agreement among the parties in interest is reached, Owner as fiduciary shall adjust and settle the loss with the insurers and, if required in writing by any party in interest, Owner as fiduciary shall give bond for the proper performance of such duties.

5.09 *Acceptance of Bonds and Insurance; Option to Replace*

- A. If either Owner or Contractor has any objection to the coverage afforded by or other provisions of the bonds or insurance required to be purchased and maintained by the other party in accordance with Article 5 on the basis of non-conformance with the Contract Documents, the objecting party shall so notify the other party in writing within 10 days after receipt of the certificates (or other evidence requested) required by Paragraph 2.01.B. Owner and Contractor shall each provide to the other such additional information in respect of insurance provided as the other may reasonably request. If either party does not purchase or maintain all of the bonds and insurance required of such party by the Contract Documents, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage. Without prejudice to any other right or remedy, the other party may elect to obtain equivalent bonds or insurance to protect such other party's interests at the expense of the party who was required to provide such coverage, and a Change Order shall be issued to adjust the Contract Price accordingly.

5.10 *Partial Utilization, Acknowledgment of Property Insurer*

- A. If Owner finds it necessary to occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work as provided in Paragraph 14.05, no such use or occupancy shall commence before the insurers providing the property insurance pursuant to Paragraph 5.06 have acknowledged notice thereof and in writing effected any changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be canceled or permitted to lapse on account of any such partial use or occupancy.

ARTICLE 6 – CONTRACTOR’S RESPONSIBILITIES

6.01 *Supervision and Superintendence*

- A. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction. Contractor shall not be responsible for the negligence of Owner or Engineer in the design or specification of a specific means, method, technique, sequence, or procedure of construction which is shown or indicated in and expressly required by the Contract Documents.
- B. At all times during the progress of the Work, Contractor shall assign a competent resident superintendent who shall not be replaced without written notice to Owner and Engineer except under extraordinary circumstances.

6.02 *Labor; Working Hours*

- A. Contractor shall provide competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Contract Documents. Contractor shall at all times maintain good discipline and order at the Site.
- B. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site shall be performed during regular working hours. Contractor will not permit the performance of Work on a Saturday, Sunday, or any legal holiday without Owner’s written consent (which will not be unreasonably withheld) given after prior written notice to Engineer.

6.03 *Services, Materials, and Equipment*

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start-up, and completion of the Work.
- B. All materials and equipment incorporated into the Work shall be as specified or, if not specified, shall be of good quality and new, except as otherwise provided in the Contract Documents. All special warranties and guarantees required by the Specifications shall expressly run to the benefit of Owner. If required by Engineer, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment.
- C. All materials and equipment shall be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents.

6.04 *Progress Schedule*

- A. Contractor shall adhere to the Progress Schedule established in accordance with Paragraph 2.07 as it may be adjusted from time to time as provided below.
1. Contractor shall submit to Engineer for acceptance (to the extent indicated in Paragraph 2.07) proposed adjustments in the Progress Schedule that will not result in changing the Contract Times. Such adjustments will comply with any provisions of the General Requirements applicable thereto.
 2. Proposed adjustments in the Progress Schedule that will change the Contract Times shall be submitted in accordance with the requirements of Article 12. Adjustments in Contract Times may only be made by a Change Order.

6.05 *Substitutes and "Or-Equals"*

- A. Whenever an item of material or equipment is specified or described in the Contract Documents by using the name of a proprietary item or the name of a particular Supplier, the specification or description is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or-equal" item or no substitution is permitted, other items of material or equipment or material or equipment of other Suppliers may be submitted to Engineer for review under the circumstances described below.
1. *"Or-Equal" Items:* If in Engineer's sole discretion an item of material or equipment proposed by Contractor is functionally equal to that named and sufficiently similar so that no change in related Work will be required, it may be considered by Engineer as an "or-equal" item, in which case review and approval of the proposed item may, in Engineer's sole discretion, be accomplished without compliance with some or all of the requirements for approval of proposed substitute items. For the purposes of this Paragraph 6.05.A.1, a proposed item of material or equipment will be considered functionally equal to an item so named if:
 - a. in the exercise of reasonable judgment Engineer determines that:
 - 1) it is at least equal in materials of construction, quality, durability, appearance, strength, and design characteristics;
 - 2) it will reliably perform at least equally well the function and achieve the results imposed by the design concept of the completed Project as a functioning whole; and
 - 3) it has a proven record of performance and availability of responsive service.
 - b. Contractor certifies that, if approved and incorporated into the Work:
 - 1) there will be no increase in cost to the Owner or increase in Contract Times; and
 - 2) it will conform substantially to the detailed requirements of the item named in the Contract Documents.

2. *Substitute Items:*

- a. If in Engineer's sole discretion an item of material or equipment proposed by Contractor does not qualify as an "or-equal" item under Paragraph 6.05.A.1, it will be considered a proposed substitute item.
- b. Contractor shall submit sufficient information as provided below to allow Engineer to determine if the item of material or equipment proposed is essentially equivalent to that named and an acceptable substitute therefor. Requests for review of proposed substitute items of material or equipment will not be accepted by Engineer from anyone other than Contractor.
- c. The requirements for review by Engineer will be as set forth in Paragraph 6.05.A.2.d, as supplemented by the General Requirements, and as Engineer may decide is appropriate under the circumstances.
- d. Contractor shall make written application to Engineer for review of a proposed substitute item of material or equipment that Contractor seeks to furnish or use. The application:
 - 1) shall certify that the proposed substitute item will:
 - a) perform adequately the functions and achieve the results called for by the general design,
 - b) be similar in substance to that specified, and
 - c) be suited to the same use as that specified;
 - 2) will state:
 - a) the extent, if any, to which the use of the proposed substitute item will prejudice Contractor's achievement of Substantial Completion on time,
 - b) whether use of the proposed substitute item in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with Owner for other work on the Project) to adapt the design to the proposed substitute item, and
 - c) whether incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty;
 - 3) will identify:
 - a) all variations of the proposed substitute item from that specified, and
 - b) available engineering, sales, maintenance, repair, and replacement services; and
 - 4) shall contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including costs of redesign and claims of other contractors affected by any resulting change.

- B. *Substitute Construction Methods or Procedures:* If a specific means, method, technique, sequence, or procedure of construction is expressly required by the Contract Documents, Contractor may furnish or utilize a substitute means, method, technique, sequence, or procedure of construction approved by Engineer. Contractor shall submit sufficient information to allow Engineer, in Engineer's sole discretion, to determine that the substitute proposed is equivalent to that expressly called for by the Contract Documents. The requirements for review by Engineer will be similar to those provided in Paragraph 6.05.A.2.
- C. *Engineer's Evaluation:* Engineer will be allowed a reasonable time within which to evaluate each proposal or submittal made pursuant to Paragraphs 6.05.A and 6.05.B. Engineer may require Contractor to furnish additional data about the proposed substitute item. Engineer will be the sole judge of acceptability. No "or equal" or substitute will be ordered, installed or utilized until Engineer's review is complete, which will be evidenced by a Change Order in the case of a substitute and an approved Shop Drawing for an "or equal." Engineer will advise Contractor in writing of any negative determination.
- D. *Special Guarantee:* Owner may require Contractor to furnish at Contractor's expense a special performance guarantee or other surety with respect to any substitute.
- E. *Engineer's Cost Reimbursement:* Engineer will record Engineer's costs in evaluating a substitute proposed or submitted by Contractor pursuant to Paragraphs 6.05.A.2 and 6.05.B. Whether or not Engineer approves a substitute so proposed or submitted by Contractor, Contractor shall reimburse Owner for the reasonable charges of Engineer for evaluating each such proposed substitute. Contractor shall also reimburse Owner for the reasonable charges of Engineer for making changes in the Contract Documents (or in the provisions of any other direct contract with Owner) resulting from the acceptance of each proposed substitute.
- F. *Contractor's Expense:* Contractor shall provide all data in support of any proposed substitute or "or-equal" at Contractor's expense.

6.06 *Concerning Subcontractors, Suppliers, and Others*

- A. Contractor shall not employ any Subcontractor, Supplier, or other individual or entity (including those acceptable to Owner as indicated in Paragraph 6.06.B), whether initially or as a replacement, against whom Owner may have reasonable objection. Contractor shall not be required to employ any Subcontractor, Supplier, or other individual or entity to furnish or perform any of the Work against whom Contractor has reasonable objection.
- B. If the Supplementary Conditions require the identity of certain Subcontractors, Suppliers, or other individuals or entities to be submitted to Owner in advance for acceptance by Owner by a specified date prior to the Effective Date of the Agreement, and if Contractor has submitted a list thereof in accordance with the Supplementary Conditions, Owner's acceptance (either in writing or by failing to make written objection thereto by the date indicated for acceptance or objection in the Bidding Documents or the Contract Documents) of any such Subcontractor, Supplier, or other individual or entity so identified may be revoked on the basis of reasonable objection after due investigation. Contractor shall submit an acceptable replacement for the rejected Subcontractor, Supplier, or other individual or entity, and the Contract Price will be adjusted by the difference in the cost occasioned by such replacement, and an appropriate Change Order will be issued. No acceptance by Owner of any such Subcontractor, Supplier, or other individual or

entity, whether initially or as a replacement, shall constitute a waiver of any right of Owner or Engineer to reject defective Work.

- C. Contractor shall be fully responsible to Owner and Engineer for all acts and omissions of the Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work just as Contractor is responsible for Contractor's own acts and omissions. Nothing in the Contract Documents:
 - 1. shall create for the benefit of any such Subcontractor, Supplier, or other individual or entity any contractual relationship between Owner or Engineer and any such Subcontractor, Supplier or other individual or entity; nor
 - 2. shall create any obligation on the part of Owner or Engineer to pay or to see to the payment of any moneys due any such Subcontractor, Supplier, or other individual or entity except as may otherwise be required by Laws and Regulations.
- D. Contractor shall be solely responsible for scheduling and coordinating the Work of Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work under a direct or indirect contract with Contractor.
- E. Contractor shall require all Subcontractors, Suppliers, and such other individuals or entities performing or furnishing any of the Work to communicate with Engineer through Contractor.
- F. The divisions and sections of the Specifications and the identifications of any Drawings shall not control Contractor in dividing the Work among Subcontractors or Suppliers or delineating the Work to be performed by any specific trade.
- G. All Work performed for Contractor by a Subcontractor or Supplier will be pursuant to an appropriate agreement between Contractor and the Subcontractor or Supplier which specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract Documents for the benefit of Owner and Engineer. Whenever any such agreement is with a Subcontractor or Supplier who is listed as a loss payee on the property insurance provided in Paragraph 5.06, the agreement between the Contractor and the Subcontractor or Supplier will contain provisions whereby the Subcontractor or Supplier waives all rights against Owner, Contractor, Engineer, and all other individuals or entities identified in the Supplementary Conditions to be listed as insureds or loss payees (and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them) for all losses and damages caused by, arising out of, relating to, or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work. If the insurers on any such policies require separate waiver forms to be signed by any Subcontractor or Supplier, Contractor will obtain the same.

6.07 *Patent Fees and Royalties*

- A. Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product, or device is specified in the Contract Documents for use in the performance of the Work and if, to the actual knowledge of Owner or Engineer, its

use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by Owner in the Contract Documents.

- B. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, and its officers, directors, members, partners, employees, agents, consultants, and subcontractors from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device specified in the Contract Documents, but not identified as being subject to payment of any license fee or royalty to others required by patent rights or copyrights.
- C. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device not specified in the Contract Documents.

6.08 *Permits*

- A. Unless otherwise provided in the Supplementary Conditions, Contractor shall obtain and pay for all construction permits and licenses. Owner shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work which are applicable at the time of opening of Bids, or, if there are no Bids, on the Effective Date of the Agreement. Owner shall pay all charges of utility owners for connections for providing permanent service to the Work.

6.09 *Laws and Regulations*

- A. Contractor shall give all notices required by and shall comply with all Laws and Regulations applicable to the performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither Owner nor Engineer shall be responsible for monitoring Contractor's compliance with any Laws or Regulations.
- B. If Contractor performs any Work knowing or having reason to know that it is contrary to Laws or Regulations, Contractor shall bear all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work. However, it shall not be Contractor's responsibility to make certain that the Specifications and Drawings are in accordance with Laws and Regulations, but this shall not relieve Contractor of Contractor's obligations under Paragraph 3.03.
- C. Changes in Laws or Regulations not known at the time of opening of Bids (or, on the Effective Date of the Agreement if there were no Bids) having an effect on the cost or time of performance of the Work shall be the subject of an adjustment in Contract Price or Contract Times. If Owner

and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment, a Claim may be made therefor as provided in Paragraph 10.05.

6.10 *Taxes*

- A. Contractor shall pay all sales, consumer, use, and other similar taxes required to be paid by Contractor in accordance with the Laws and Regulations of the place of the Project which are applicable during the performance of the Work.

6.11 *Use of Site and Other Areas*

A. Limitation on Use of Site and Other Areas:

1. Contractor shall confine construction equipment, the storage of materials and equipment, and the operations of workers to the Site and other areas permitted by Laws and Regulations, and shall not unreasonably encumber the Site and other areas with construction equipment or other materials or equipment. Contractor shall assume full responsibility for any damage to any such land or area, or to the owner or occupant thereof, or of any adjacent land or areas resulting from the performance of the Work.
2. Should any claim be made by any such owner or occupant because of the performance of the Work, Contractor shall promptly settle with such other party by negotiation or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law.
3. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any claim or action, legal or equitable, brought by any such owner or occupant against Owner, Engineer, or any other party indemnified hereunder to the extent caused by or based upon Contractor's performance of the Work.

- B. *Removal of Debris During Performance of the Work:* During the progress of the Work Contractor shall keep the Site and other areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris shall conform to applicable Laws and Regulations.

- C. *Cleaning:* Prior to Substantial Completion of the Work Contractor shall clean the Site and the Work and make it ready for utilization by Owner. At the completion of the Work Contractor shall remove from the Site all tools, appliances, construction equipment and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.

- D. *Loading Structures:* Contractor shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent property to stresses or pressures that will endanger it.

6.12 *Record Documents*

- A. Contractor shall maintain in a safe place at the Site one record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, and written interpretations and clarifications in good order and annotated to show changes made during construction. These record documents together with all approved Samples and a counterpart of all approved Shop Drawings will be available to Engineer for reference. Upon completion of the Work, these record documents, Samples, and Shop Drawings will be delivered to Engineer for Owner.

6.13 *Safety and Protection*

- A. Contractor shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. Such responsibility does not relieve Subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with applicable safety Laws and Regulations. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:
1. all persons on the Site or who may be affected by the Work;
 2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
 3. other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, utilities, and Underground Facilities not designated for removal, relocation, or replacement in the course of construction.
- B. Contractor shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection. Contractor shall notify owners of adjacent property and of Underground Facilities and other utility owners when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property.
- C. Contractor shall comply with the applicable requirements of Owner's safety programs, if any. The Supplementary Conditions identify any Owner's safety programs that are applicable to the Work.
- D. Contractor shall inform Owner and Engineer of the specific requirements of Contractor's safety program with which Owner's and Engineer's employees and representatives must comply while at the Site.
- E. All damage, injury, or loss to any property referred to in Paragraph 6.13.A.2 or 6.13.A.3 caused, directly or indirectly, in whole or in part, by Contractor, any Subcontractor, Supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, shall be remedied by Contractor (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of Owner or Engineer or anyone employed by any of them, or anyone for whose acts

any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor or any Subcontractor, Supplier, or other individual or entity directly or indirectly employed by any of them).

- F. Contractor's duties and responsibilities for safety and for protection of the Work shall continue until such time as all the Work is completed and Engineer has issued a notice to Owner and Contractor in accordance with Paragraph 14.07.B that the Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).

6.14 *Safety Representative*

- A. Contractor shall designate a qualified and experienced safety representative at the Site whose duties and responsibilities shall be the prevention of accidents and the maintaining and supervising of safety precautions and programs.

6.15 *Hazard Communication Programs*

- A. Contractor shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.

6.16 *Emergencies*

- A. In emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, Contractor is obligated to act to prevent threatened damage, injury, or loss. Contractor shall give Engineer prompt written notice if Contractor believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby or are required as a result thereof. If Engineer determines that a change in the Contract Documents is required because of the action taken by Contractor in response to such an emergency, a Work Change Directive or Change Order will be issued.

6.17 *Shop Drawings and Samples*

- A. Contractor shall submit Shop Drawings and Samples to Engineer for review and approval in accordance with the accepted Schedule of Submittals (as required by Paragraph 2.07). Each submittal will be identified as Engineer may require.

1. *Shop Drawings:*

- a. Submit number of copies specified in the General Requirements.
- b. Data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show Engineer the services, materials, and equipment Contractor proposes to provide and to enable Engineer to review the information for the limited purposes required by Paragraph 6.17.D.

2. *Samples:*

- a. Submit number of Samples specified in the Specifications.

- b. Clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which intended and other data as Engineer may require to enable Engineer to review the submittal for the limited purposes required by Paragraph 6.17.D.
- B. Where a Shop Drawing or Sample is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to Engineer's review and approval of the pertinent submittal will be at the sole expense and responsibility of Contractor.

C. *Submittal Procedures:*

- 1. Before submitting each Shop Drawing or Sample, Contractor shall have:
 - a. reviewed and coordinated each Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents;
 - b. determined and verified all field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information with respect thereto;
 - c. determined and verified the suitability of all materials offered with respect to the indicated application, fabrication, shipping, handling, storage, assembly, and installation pertaining to the performance of the Work; and
 - d. determined and verified all information relative to Contractor's responsibilities for means, methods, techniques, sequences, and procedures of construction, and safety precautions and programs incident thereto.
- 2. Each submittal shall bear a stamp or specific written certification that Contractor has satisfied Contractor's obligations under the Contract Documents with respect to Contractor's review and approval of that submittal.
- 3. With each submittal, Contractor shall give Engineer specific written notice of any variations that the Shop Drawing or Sample may have from the requirements of the Contract Documents. This notice shall be both a written communication separate from the Shop Drawings or Sample submittal; and, in addition, by a specific notation made on each Shop Drawing or Sample submitted to Engineer for review and approval of each such variation.

D. *Engineer's Review:*

- 1. Engineer will provide timely review of Shop Drawings and Samples in accordance with the Schedule of Submittals acceptable to Engineer. Engineer's review and approval will be only to determine if the items covered by the submittals will, after installation or incorporation in the Work, conform to the information given in the Contract Documents and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
- 2. Engineer's review and approval will not extend to means, methods, techniques, sequences, or procedures of construction (except where a particular means, method, technique, sequence, or procedure of construction is specifically and expressly called for by the

Contract Documents) or to safety precautions or programs incident thereto. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions.

3. Engineer's review and approval shall not relieve Contractor from responsibility for any variation from the requirements of the Contract Documents unless Contractor has complied with the requirements of Paragraph 6.17.C.3 and Engineer has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample. Engineer's review and approval shall not relieve Contractor from responsibility for complying with the requirements of Paragraph 6.17.C.1.

E. *Resubmittal Procedures:*

1. Contractor shall make corrections required by Engineer and shall return the required number of corrected copies of Shop Drawings and submit, as required, new Samples for review and approval. Contractor shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous submittals.

6.18 *Continuing the Work*

- A. Contractor shall carry on the Work and adhere to the Progress Schedule during all disputes or disagreements with Owner. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as permitted by Paragraph 15.04 or as Owner and Contractor may otherwise agree in writing.

6.19 *Contractor's General Warranty and Guarantee*

- A. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Engineer and its officers, directors, members, partners, employees, agents, consultants, and subcontractors shall be entitled to rely on representation of Contractor's warranty and guarantee.
- B. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
 1. abuse, modification, or improper maintenance or operation by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
 2. normal wear and tear under normal usage.
- C. Contractor's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents or a release of Contractor's obligation to perform the Work in accordance with the Contract Documents:
 1. observations by Engineer;
 2. recommendation by Engineer or payment by Owner of any progress or final payment;

3. the issuance of a certificate of Substantial Completion by Engineer or any payment related thereto by Owner;
4. use or occupancy of the Work or any part thereof by Owner;
5. any review and approval of a Shop Drawing or Sample submittal or the issuance of a notice of acceptability by Engineer;
6. any inspection, test, or approval by others; or
7. any correction of defective Work by Owner.

6.20 *Indemnification*

- A. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the performance of the Work, provided that any such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom but only to the extent caused by any negligent act or omission of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work or anyone for whose acts any of them may be liable .
- B. In any and all claims against Owner or Engineer or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors by any employee (or the survivor or personal representative of such employee) of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 6.20.A shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor or any such Subcontractor, Supplier, or other individual or entity under workers' compensation acts, disability benefit acts, or other employee benefit acts.
- C. The indemnification obligations of Contractor under Paragraph 6.20.A shall not extend to the liability of Engineer and Engineer's officers, directors, members, partners, employees, agents, consultants and subcontractors arising out of:
 1. the preparation or approval of, or the failure to prepare or approve maps, Drawings, opinions, reports, surveys, Change Orders, designs, or Specifications; or
 2. giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.

6.21 *Delegation of Professional Design Services*

- A. Contractor will not be required to provide professional design services unless such services are specifically required by the Contract Documents for a portion of the Work or unless such services are required to carry out Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. Contractor shall not be required to provide professional services in violation of applicable law.
- B. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of Contractor by the Contract Documents, Owner and Engineer will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided by a properly licensed professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to Engineer.
- C. Owner and Engineer shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided Owner and Engineer have specified to Contractor all performance and design criteria that such services must satisfy.
- D. Pursuant to this Paragraph 6.21, Engineer's review and approval of design calculations and design drawings will be only for the limited purpose of checking for conformance with performance and design criteria given and the design concept expressed in the Contract Documents. Engineer's review and approval of Shop Drawings and other submittals (except design calculations and design drawings) will be only for the purpose stated in Paragraph 6.17.D.1.
- E. Contractor shall not be responsible for the adequacy of the performance or design criteria required by the Contract Documents.

ARTICLE 7 – OTHER WORK AT THE SITE

7.01 *Related Work at Site*

- A. Owner may perform other work related to the Project at the Site with Owner's employees, or through other direct contracts therefor, or have other work performed by utility owners. If such other work is not noted in the Contract Documents, then:
 - 1. written notice thereof will be given to Contractor prior to starting any such other work; and
 - 2. if Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times that should be allowed as a result of such other work, a Claim may be made therefor as provided in Paragraph 10.05.
- B. Contractor shall afford each other contractor who is a party to such a direct contract, each utility owner, and Owner, if Owner is performing other work with Owner's employees, proper and safe

access to the Site, provide a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work, and properly coordinate the Work with theirs. Contractor shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating, or otherwise altering such work; provided, however, that Contractor may cut or alter others' work with the written consent of Engineer and the others whose work will be affected. The duties and responsibilities of Contractor under this Paragraph are for the benefit of such utility owners and other contractors to the extent that there are comparable provisions for the benefit of Contractor in said direct contracts between Owner and such utility owners and other contractors.

- C. If the proper execution or results of any part of Contractor's Work depends upon work performed by others under this Article 7, Contractor shall inspect such other work and promptly report to Engineer in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of Contractor's Work. Contractor's failure to so report will constitute an acceptance of such other work as fit and proper for integration with Contractor's Work except for latent defects and deficiencies in such other work.

7.02 *Coordination*

- A. If Owner intends to contract with others for the performance of other work on the Project at the Site, the following will be set forth in Supplementary Conditions:
 - 1. the individual or entity who will have authority and responsibility for coordination of the activities among the various contractors will be identified;
 - 2. the specific matters to be covered by such authority and responsibility will be itemized; and
 - 3. the extent of such authority and responsibilities will be provided.
- B. Unless otherwise provided in the Supplementary Conditions, Owner shall have sole authority and responsibility for such coordination.

7.03 *Legal Relationships*

- A. Paragraphs 7.01.A and 7.02 are not applicable for utilities not under the control of Owner.
- B. Each other direct contract of Owner under Paragraph 7.01.A shall provide that the other contractor is liable to Owner and Contractor for the reasonable direct delay and disruption costs incurred by Contractor as a result of the other contractor's wrongful actions or inactions.
- C. Contractor shall be liable to Owner and any other contractor under direct contract to Owner for the reasonable direct delay and disruption costs incurred by such other contractor as a result of Contractor's wrongful action or inactions.

ARTICLE 8 – OWNER’S RESPONSIBILITIES

8.01 *Communications to Contractor*

- A. Except as otherwise provided in these General Conditions, Owner shall issue all communications to Contractor through Engineer.

8.02 *Replacement of Engineer*

- A. In case of termination of the employment of Engineer, Owner shall appoint an engineer to whom Contractor makes no reasonable objection, whose status under the Contract Documents shall be that of the former Engineer.

8.03 *Furnish Data*

- A. Owner shall promptly furnish the data required of Owner under the Contract Documents.

8.04 *Pay When Due*

- A. Owner shall make payments to Contractor when they are due as provided in Paragraphs 14.02.C and 14.07.C.

8.05 *Lands and Easements; Reports and Tests*

- A. Owner’s duties with respect to providing lands and easements and providing engineering surveys to establish reference points are set forth in Paragraphs 4.01 and 4.05. Paragraph 4.02 refers to Owner’s identifying and making available to Contractor copies of reports of explorations and tests of subsurface conditions and drawings of physical conditions relating to existing surface or subsurface structures at the Site.

8.06 *Insurance*

- A. Owner’s responsibilities, if any, with respect to purchasing and maintaining liability and property insurance are set forth in Article 5.

8.07 *Change Orders*

- A. Owner is obligated to execute Change Orders as indicated in Paragraph 10.03.

8.08 *Inspections, Tests, and Approvals*

- A. Owner’s responsibility with respect to certain inspections, tests, and approvals is set forth in Paragraph 13.03.B.

8.09 *Limitations on Owner’s Responsibilities*

- A. The Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor’s means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws

and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.

8.10 *Undisclosed Hazardous Environmental Condition*

- A. Owner's responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in Paragraph 4.06.

8.11 *Evidence of Financial Arrangements*

- A. Upon request of Contractor, Owner shall furnish Contractor reasonable evidence that financial arrangements have been made to satisfy Owner's obligations under the Contract Documents.

8.12 *Compliance with Safety Program*

- A. While at the Site, Owner's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Owner has been informed pursuant to Paragraph 6.13.D.

ARTICLE 9 – ENGINEER'S STATUS DURING CONSTRUCTION

9.01 *Owner's Representative*

- A. Engineer will be Owner's representative during the construction period. The duties and responsibilities and the limitations of authority of Engineer as Owner's representative during construction are set forth in the Contract Documents.

9.02 *Visits to Site*

- A. Engineer will make visits to the Site at intervals appropriate to the various stages of construction as Engineer deems necessary in order to observe as an experienced and qualified design professional the progress that has been made and the quality of the various aspects of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer, for the benefit of Owner, will determine, in general, if the Work is proceeding in accordance with the Contract Documents. Engineer will not be required to make exhaustive or continuous inspections on the Site to check the quality or quantity of the Work. Engineer's efforts will be directed toward providing for Owner a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and observations, Engineer will keep Owner informed of the progress of the Work and will endeavor to guard Owner against defective Work.
- B. Engineer's visits and observations are subject to all the limitations on Engineer's authority and responsibility set forth in Paragraph 9.09. Particularly, but without limitation, during or as a result of Engineer's visits or observations of Contractor's Work, Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work.

9.03 *Project Representative*

- A. If Owner and Engineer agree, Engineer will furnish a Resident Project Representative to assist Engineer in providing more extensive observation of the Work. The authority and responsibilities of any such Resident Project Representative and assistants will be as provided in the Supplementary Conditions, and limitations on the responsibilities thereof will be as provided in Paragraph 9.09. If Owner designates another representative or agent to represent Owner at the Site who is not Engineer's consultant, agent or employee, the responsibilities and authority and limitations thereon of such other individual or entity will be as provided in the Supplementary Conditions.

9.04 *Authorized Variations in Work*

- A. Engineer may authorize minor variations in the Work from the requirements of the Contract Documents which do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. These may be accomplished by a Field Order and will be binding on Owner and also on Contractor, who shall perform the Work involved promptly. If Owner or Contractor believes that a Field Order justifies an adjustment in the Contract Price or Contract Times, or both, and the parties are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment, a Claim may be made therefor as provided in Paragraph 10.05.

9.05 *Rejecting Defective Work*

- A. Engineer will have authority to reject Work which Engineer believes to be defective, or that Engineer believes will not produce a completed Project that conforms to the Contract Documents or that will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Engineer will also have authority to require special inspection or testing of the Work as provided in Paragraph 13.04, whether or not the Work is fabricated, installed, or completed.

9.06 *Shop Drawings, Change Orders and Payments*

- A. In connection with Engineer's authority, and limitations thereof, as to Shop Drawings and Samples, see Paragraph 6.17.
- B. In connection with Engineer's authority, and limitations thereof, as to design calculations and design drawings submitted in response to a delegation of professional design services, if any, see Paragraph 6.21.
- C. In connection with Engineer's authority as to Change Orders, see Articles 10, 11, and 12.
- D. In connection with Engineer's authority as to Applications for Payment, see Article 14.

9.07 *Determinations for Unit Price Work*

- A. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor. Engineer will review with Contractor the Engineer's preliminary determinations

on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). Engineer's written decision thereon will be final and binding (except as modified by Engineer to reflect changed factual conditions or more accurate data) upon Owner and Contractor, subject to the provisions of Paragraph 10.05.

9.08 *Decisions on Requirements of Contract Documents and Acceptability of Work*

- A. Engineer will be the initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the Work thereunder. All matters in question and other matters between Owner and Contractor arising prior to the date final payment is due relating to the acceptability of the Work, and the interpretation of the requirements of the Contract Documents pertaining to the performance of the Work, will be referred initially to Engineer in writing within 30 days of the event giving rise to the question.
- B. Engineer will, with reasonable promptness, render a written decision on the issue referred. If Owner or Contractor believes that any such decision entitles them to an adjustment in the Contract Price or Contract Times or both, a Claim may be made under Paragraph 10.05. The date of Engineer's decision shall be the date of the event giving rise to the issues referenced for the purposes of Paragraph 10.05.B.
- C. Engineer's written decision on the issue referred will be final and binding on Owner and Contractor, subject to the provisions of Paragraph 10.05.
- D. When functioning as interpreter and judge under this Paragraph 9.08, Engineer will not show partiality to Owner or Contractor and will not be liable in connection with any interpretation or decision rendered in good faith in such capacity.

9.09 *Limitations on Engineer's Authority and Responsibilities*

- A. Neither Engineer's authority or responsibility under this Article 9 or under any other provision of the Contract Documents nor any decision made by Engineer in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Engineer shall create, impose, or give rise to any duty in contract, tort, or otherwise owed by Engineer to Contractor, any Subcontractor, any Supplier, any other individual or entity, or to any surety for or employee or agent of any of them.
- B. Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Engineer will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- C. Engineer will not be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.
- D. Engineer's review of the final Application for Payment and accompanying documentation and all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by Paragraph 14.07.A will only be to determine generally that their content complies with the requirements of,

and in the case of certificates of inspections, tests, and approvals that the results certified indicate compliance with, the Contract Documents.

- E. The limitations upon authority and responsibility set forth in this Paragraph 9.09 shall also apply to the Resident Project Representative, if any, and assistants, if any.

9.10 *Compliance with Safety Program*

- A. While at the Site, Engineer's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Engineer has been informed pursuant to Paragraph 6.13.D.

ARTICLE 10 – CHANGES IN THE WORK; CLAIMS

10.01 *Authorized Changes in the Work*

- A. Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work by a Change Order, or a Work Change Directive. Upon receipt of any such document, Contractor shall promptly proceed with the Work involved which will be performed under the applicable conditions of the Contract Documents (except as otherwise specifically provided).
- B. If Owner and Contractor are unable to agree on entitlement to, or on the amount or extent, if any, of an adjustment in the Contract Price or Contract Times, or both, that should be allowed as a result of a Work Change Directive, a Claim may be made therefor as provided in Paragraph 10.05.

10.02 *Unauthorized Changes in the Work*

- A. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any work performed that is not required by the Contract Documents as amended, modified, or supplemented as provided in Paragraph 3.04, except in the case of an emergency as provided in Paragraph 6.16 or in the case of uncovering Work as provided in Paragraph 13.04.D.

10.03 *Execution of Change Orders*

- A. Owner and Contractor shall execute appropriate Change Orders recommended by Engineer covering:
1. changes in the Work which are: (i) ordered by Owner pursuant to Paragraph 10.01.A, (ii) required because of acceptance of defective Work under Paragraph 13.08.A or Owner's correction of defective Work under Paragraph 13.09, or (iii) agreed to by the parties;
 2. changes in the Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive; and
 3. changes in the Contract Price or Contract Times which embody the substance of any written decision rendered by Engineer pursuant to Paragraph 10.05; provided that, in lieu of

executing any such Change Order, an appeal may be taken from any such decision in accordance with the provisions of the Contract Documents and applicable Laws and Regulations, but during any such appeal, Contractor shall carry on the Work and adhere to the Progress Schedule as provided in Paragraph 6.18.A.

10.04 *Notification to Surety*

- A. If the provisions of any bond require notice to be given to a surety of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times), the giving of any such notice will be Contractor's responsibility. The amount of each applicable bond will be adjusted to reflect the effect of any such change.

10.05 *Claims*

- A. *Engineer's Decision Required:* All Claims, except those waived pursuant to Paragraph 14.09, shall be referred to the Engineer for decision. A decision by Engineer shall be required as a condition precedent to any exercise by Owner or Contractor of any rights or remedies either may otherwise have under the Contract Documents or by Laws and Regulations in respect of such Claims.
- B. *Notice:* Written notice stating the general nature of each Claim shall be delivered by the claimant to Engineer and the other party to the Contract promptly (but in no event later than 30 days) after the start of the event giving rise thereto. The responsibility to substantiate a Claim shall rest with the party making the Claim. Notice of the amount or extent of the Claim, with supporting data shall be delivered to the Engineer and the other party to the Contract within 60 days after the start of such event (unless Engineer allows additional time for claimant to submit additional or more accurate data in support of such Claim). A Claim for an adjustment in Contract Price shall be prepared in accordance with the provisions of Paragraph 12.01.B. A Claim for an adjustment in Contract Times shall be prepared in accordance with the provisions of Paragraph 12.02.B. Each Claim shall be accompanied by claimant's written statement that the adjustment claimed is the entire adjustment to which the claimant believes it is entitled as a result of said event. The opposing party shall submit any response to Engineer and the claimant within 30 days after receipt of the claimant's last submittal (unless Engineer allows additional time).
- C. *Engineer's Action:* Engineer will review each Claim and, within 30 days after receipt of the last submittal of the claimant or the last submittal of the opposing party, if any, take one of the following actions in writing:
 - 1. deny the Claim in whole or in part;
 - 2. approve the Claim; or
 - 3. notify the parties that the Engineer is unable to resolve the Claim if, in the Engineer's sole discretion, it would be inappropriate for the Engineer to do so. For purposes of further resolution of the Claim, such notice shall be deemed a denial.
- D. In the event that Engineer does not take action on a Claim within said 30 days, the Claim shall be deemed denied.

- E. Engineer's written action under Paragraph 10.05.C or denial pursuant to Paragraphs 10.05.C.3 or 10.05.D will be final and binding upon Owner and Contractor, unless Owner or Contractor invoke the dispute resolution procedure set forth in Article 16 within 30 days of such action or denial.
- F. No Claim for an adjustment in Contract Price or Contract Times will be valid if not submitted in accordance with this Paragraph 10.05.

ARTICLE 11 – COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK

11.01 *Cost of the Work*

- A. *Costs Included:* The term Cost of the Work means the sum of all costs, except those excluded in Paragraph 11.01.B, necessarily incurred and paid by Contractor in the proper performance of the Work. When the value of any Work covered by a Change Order or when a Claim for an adjustment in Contract Price is determined on the basis of Cost of the Work, the costs to be reimbursed to Contractor will be only those additional or incremental costs required because of the change in the Work or because of the event giving rise to the Claim. Except as otherwise may be agreed to in writing by Owner, such costs shall be in amounts no higher than those prevailing in the locality of the Project, shall not include any of the costs itemized in Paragraph 11.01.B, and shall include only the following items:
 - 1. Payroll costs for employees in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by Owner and Contractor. Such employees shall include, without limitation, superintendents, foremen, and other personnel employed full time on the Work. Payroll costs for employees not employed full time on the Work shall be apportioned on the basis of their time spent on the Work. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits, which shall include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours, on Saturday, Sunday, or legal holidays, shall be included in the above to the extent authorized by Owner.
 - 2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts shall accrue to Contractor unless Owner deposits funds with Contractor with which to make payments, in which case the cash discounts shall accrue to Owner. All trade discounts, rebates and refunds and returns from sale of surplus materials and equipment shall accrue to Owner, and Contractor shall make provisions so that they may be obtained.
 - 3. Payments made by Contractor to Subcontractors for Work performed by Subcontractors. If required by Owner, Contractor shall obtain competitive bids from subcontractors acceptable to Owner and Contractor and shall deliver such bids to Owner, who will then determine, with the advice of Engineer, which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee shall be determined in the same manner as Contractor's Cost of the Work and fee as provided in this Paragraph 11.01.

4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys, and accountants) employed for services specifically related to the Work.
5. Supplemental costs including the following:
 - a. The proportion of necessary transportation, travel, and subsistence expenses of Contractor's employees incurred in discharge of duties connected with the Work.
 - b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office, and temporary facilities at the Site, and hand tools not owned by the workers, which are consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of Contractor.
 - c. Rentals of all construction equipment and machinery, and the parts thereof whether rented from Contractor or others in accordance with rental agreements approved by Owner with the advice of Engineer, and the costs of transportation, loading, unloading, assembly, dismantling, and removal thereof. All such costs shall be in accordance with the terms of said rental agreements. The rental of any such equipment, machinery, or parts shall cease when the use thereof is no longer necessary for the Work.
 - d. Sales, consumer, use, and other similar taxes related to the Work, and for which Contractor is liable, as imposed by Laws and Regulations.
 - e. Deposits lost for causes other than negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.
 - f. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by Contractor in connection with the performance of the Work (except losses and damages within the deductible amounts of property insurance established in accordance with Paragraph 5.06.D), provided such losses and damages have resulted from causes other than the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of Owner. No such losses, damages, and expenses shall be included in the Cost of the Work for the purpose of determining Contractor's fee.
 - g. The cost of utilities, fuel, and sanitary facilities at the Site.
 - h. Minor expenses such as telegrams, long distance telephone calls, telephone service at the Site, express and courier services, and similar petty cash items in connection with the Work.
 - i. The costs of premiums for all bonds and insurance Contractor is required by the Contract Documents to purchase and maintain.

B. *Costs Excluded:* The term Cost of the Work shall not include any of the following items:

1. Payroll costs and other compensation of Contractor's officers, executives, principals (of partnerships and sole proprietorships), general managers, safety managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by Contractor, whether at the Site or in Contractor's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 11.01.A.1 or specifically covered by Paragraph 11.01.A.4, all of which are to be considered administrative costs covered by the Contractor's fee.
 2. Expenses of Contractor's principal and branch offices other than Contractor's office at the Site.
 3. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Work and charges against Contractor for delinquent payments.
 4. Costs due to the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.
 5. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraphs 11.01.A.
- C. *Contractor's Fee:* When all the Work is performed on the basis of cost-plus, Contractor's fee shall be determined as set forth in the Agreement. When the value of any Work covered by a Change Order or when a Claim for an adjustment in Contract Price is determined on the basis of Cost of the Work, Contractor's fee shall be determined as set forth in Paragraph 12.01.C.
- D. *Documentation:* Whenever the Cost of the Work for any purpose is to be determined pursuant to Paragraphs 11.01.A and 11.01.B, Contractor will establish and maintain records thereof in accordance with generally accepted accounting practices and submit in a form acceptable to Engineer an itemized cost breakdown together with supporting data.

11.02 Allowances

- A. It is understood that Contractor has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be performed for such sums and by such persons or entities as may be acceptable to Owner and Engineer.
- B. *Cash Allowances:*
1. Contractor agrees that:
 - a. the cash allowances include the cost to Contractor (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the Site, and all applicable taxes; and
 - b. Contractor's costs for unloading and handling on the Site, labor, installation, overhead, profit, and other expenses contemplated for the cash allowances have been included in

the Contract Price and not in the allowances, and no demand for additional payment on account of any of the foregoing will be valid.

C. *Contingency Allowance:*

1. Contractor agrees that a contingency allowance, if any, is for the sole use of Owner to cover unanticipated costs.
- D. Prior to final payment, an appropriate Change Order will be issued as recommended by Engineer to reflect actual amounts due Contractor on account of Work covered by allowances, and the Contract Price shall be correspondingly adjusted.

11.03 *Unit Price Work*

- A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement.
- B. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Determinations of the actual quantities and classifications of Unit Price Work performed by Contractor will be made by Engineer subject to the provisions of Paragraph 9.07.
- C. Each unit price will be deemed to include an amount considered by Contractor to be adequate to cover Contractor's overhead and profit for each separately identified item.
- D. Owner or Contractor may make a Claim for an adjustment in the Contract Price in accordance with Paragraph 10.05 if:
 1. the quantity of any item of Unit Price Work performed by Contractor differs materially and significantly from the estimated quantity of such item indicated in the Agreement; and
 2. there is no corresponding adjustment with respect to any other item of Work; and
 3. Contractor believes that Contractor is entitled to an increase in Contract Price as a result of having incurred additional expense or Owner believes that Owner is entitled to a decrease in Contract Price and the parties are unable to agree as to the amount of any such increase or decrease.

ARTICLE 12 – CHANGE OF CONTRACT PRICE; CHANGE OF CONTRACT TIMES

12.01 *Change of Contract Price*

- A. The Contract Price may only be changed by a Change Order. Any Claim for an adjustment in the Contract Price shall be based on written notice submitted by the party making the Claim to the Engineer and the other party to the Contract in accordance with the provisions of Paragraph 10.05.

B. The value of any Work covered by a Change Order or of any Claim for an adjustment in the Contract Price will be determined as follows:

1. where the Work involved is covered by unit prices contained in the Contract Documents, by application of such unit prices to the quantities of the items involved (subject to the provisions of Paragraph 11.03); or
2. where the Work involved is not covered by unit prices contained in the Contract Documents, by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with Paragraph 12.01.C.2); or
3. where the Work involved is not covered by unit prices contained in the Contract Documents and agreement to a lump sum is not reached under Paragraph 12.01.B.2, on the basis of the Cost of the Work (determined as provided in Paragraph 11.01) plus a Contractor's fee for overhead and profit (determined as provided in Paragraph 12.01.C).

C. *Contractor's Fee*: The Contractor's fee for overhead and profit shall be determined as follows:

1. a mutually acceptable fixed fee; or
2. if a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:
 - a. for costs incurred under Paragraphs 11.01.A.1 and 11.01.A.2, the Contractor's fee shall be 15 percent;
 - b. for costs incurred under Paragraph 11.01.A.3, the Contractor's fee shall be five percent;
 - c. where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of Paragraphs 12.01.C.2.a and 12.01.C.2.b is that the Subcontractor who actually performs the Work, at whatever tier, will be paid a fee of 15 percent of the costs incurred by such Subcontractor under Paragraphs 11.01.A.1 and 11.01.A.2 and that any higher tier Subcontractor and Contractor will each be paid a fee of five percent of the amount paid to the next lower tier Subcontractor;
 - d. no fee shall be payable on the basis of costs itemized under Paragraphs 11.01.A.4, 11.01.A.5, and 11.01.B;
 - e. the amount of credit to be allowed by Contractor to Owner for any change which results in a net decrease in cost will be the amount of the actual net decrease in cost plus a deduction in Contractor's fee by an amount equal to five percent of such net decrease; and
 - f. when both additions and credits are involved in any one change, the adjustment in Contractor's fee shall be computed on the basis of the net change in accordance with Paragraphs 12.01.C.2.a through 12.01.C.2.e, inclusive.

12.02 *Change of Contract Times*

- A. The Contract Times may only be changed by a Change Order. Any Claim for an adjustment in the Contract Times shall be based on written notice submitted by the party making the Claim to the Engineer and the other party to the Contract in accordance with the provisions of Paragraph 10.05.
- B. Any adjustment of the Contract Times covered by a Change Order or any Claim for an adjustment in the Contract Times will be determined in accordance with the provisions of this Article 12.

12.03 *Delays*

- A. Where Contractor is prevented from completing any part of the Work within the Contract Times due to delay beyond the control of Contractor, the Contract Times will be extended in an amount equal to the time lost due to such delay if a Claim is made therefor as provided in Paragraph 12.02.A. Delays beyond the control of Contractor shall include, but not be limited to, acts or neglect by Owner, acts or neglect of utility owners or other contractors performing other work as contemplated by Article 7, fires, floods, epidemics, abnormal weather conditions, or acts of God.
- B. If Owner, Engineer, or other contractors or utility owners performing other work for Owner as contemplated by Article 7, or anyone for whom Owner is responsible, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in the Contract Price or the Contract Times, or both. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.
- C. If Contractor is delayed in the performance or progress of the Work by fire, flood, epidemic, abnormal weather conditions, acts of God, acts or failures to act of utility owners not under the control of Owner, or other causes not the fault of and beyond control of Owner and Contractor, then Contractor shall be entitled to an equitable adjustment in Contract Times, if such adjustment is essential to Contractor's ability to complete the Work within the Contract Times. Such an adjustment shall be Contractor's sole and exclusive remedy for the delays described in this Paragraph 12.03.C.
- D. Owner, Engineer, and their officers, directors, members, partners, employees, agents, consultants, or subcontractors shall not be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project.
- E. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for delays within the control of Contractor. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of Contractor.

ARTICLE 13 – TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK

13.01 *Notice of Defects*

- A. Prompt notice of all defective Work of which Owner or Engineer has actual knowledge will be given to Contractor. Defective Work may be rejected, corrected, or accepted as provided in this Article 13.

13.02 *Access to Work*

- A. Owner, Engineer, their consultants and other representatives and personnel of Owner, independent testing laboratories, and governmental agencies with jurisdictional interests will have access to the Site and the Work at reasonable times for their observation, inspection, and testing. Contractor shall provide them proper and safe conditions for such access and advise them of Contractor's safety procedures and programs so that they may comply therewith as applicable.

13.03 *Tests and Inspections*

- A. Contractor shall give Engineer timely notice of readiness of the Work for all required inspections, tests, or approvals and shall cooperate with inspection and testing personnel to facilitate required inspections or tests.
- B. Owner shall employ and pay for the services of an independent testing laboratory to perform all inspections, tests, or approvals required by the Contract Documents except:
 - 1. for inspections, tests, or approvals covered by Paragraphs 13.03.C and 13.03.D below;
 - 2. that costs incurred in connection with tests or inspections conducted pursuant to Paragraph 13.04.B shall be paid as provided in Paragraph 13.04.C; and
 - 3. as otherwise specifically provided in the Contract Documents.
- C. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved by an employee or other representative of such public body, Contractor shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish Engineer the required certificates of inspection or approval.
- D. Contractor shall be responsible for arranging and obtaining and shall pay all costs in connection with any inspections, tests, or approvals required for Owner's and Engineer's acceptance of materials or equipment to be incorporated in the Work; or acceptance of materials, mix designs, or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work. Such inspections, tests, or approvals shall be performed by organizations acceptable to Owner and Engineer.

- E. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Engineer, Contractor shall, if requested by Engineer, uncover such Work for observation.
- F. Uncovering Work as provided in Paragraph 13.03.E shall be at Contractor's expense unless Contractor has given Engineer timely notice of Contractor's intention to cover the same and Engineer has not acted with reasonable promptness in response to such notice.

13.04 *Uncovering Work*

- A. If any Work is covered contrary to the written request of Engineer, it must, if requested by Engineer, be uncovered for Engineer's observation and replaced at Contractor's expense.
- B. If Engineer considers it necessary or advisable that covered Work be observed by Engineer or inspected or tested by others, Contractor, at Engineer's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as Engineer may require, that portion of the Work in question, furnishing all necessary labor, material, and equipment.
- C. If it is found that the uncovered Work is defective, Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and Owner shall be entitled to an appropriate decrease in the Contract Price. If the parties are unable to agree as to the amount thereof, Owner may make a Claim therefor as provided in Paragraph 10.05.
- D. If the uncovered Work is not found to be defective, Contractor shall be allowed an increase in the Contract Price or an extension of the Contract Times, or both, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction. If the parties are unable to agree as to the amount or extent thereof, Contractor may make a Claim therefor as provided in Paragraph 10.05.

13.05 *Owner May Stop the Work*

- A. If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, Owner may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of Owner to stop the Work shall not give rise to any duty on the part of Owner to exercise this right for the benefit of Contractor, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or employee or agent of any of them.

13.06 *Correction or Removal of Defective Work*

- A. Promptly after receipt of written notice, Contractor shall correct all defective Work, whether or not fabricated, installed, or completed, or, if the Work has been rejected by Engineer, remove it from the Project and replace it with Work that is not defective. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers,

architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or removal (including but not limited to all costs of repair or replacement of work of others).

- B. When correcting defective Work under the terms of this Paragraph 13.06 or Paragraph 13.07, Contractor shall take no action that would void or otherwise impair Owner's special warranty and guarantee, if any, on said Work.

13.07 *Correction Period*

- A. If within one year after the date of Substantial Completion (or such longer period of time as may be prescribed by the terms of any applicable special guarantee required by the Contract Documents) or by any specific provision of the Contract Documents, any Work is found to be defective, or if the repair of any damages to the land or areas made available for Contractor's use by Owner or permitted by Laws and Regulations as contemplated in Paragraph 6.11.A is found to be defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:
1. repair such defective land or areas; or
 2. correct such defective Work; or
 3. if the defective Work has been rejected by Owner, remove it from the Project and replace it with Work that is not defective, and
 4. satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others or other land or areas resulting therefrom.
- B. If Contractor does not promptly comply with the terms of Owner's written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or repaired or may have the rejected Work removed and replaced. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others) will be paid by Contractor.
- C. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications.
- D. Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this Paragraph 13.07, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.
- E. Contractor's obligations under this Paragraph 13.07 are in addition to any other obligation or warranty. The provisions of this Paragraph 13.07 shall not be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

13.08 *Acceptance of Defective Work*

- A. If, instead of requiring correction or removal and replacement of defective Work, Owner (and, prior to Engineer's recommendation of final payment, Engineer) prefers to accept it, Owner may do so. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) attributable to Owner's evaluation of and determination to accept such defective Work (such costs to be approved by Engineer as to reasonableness) and for the diminished value of the Work to the extent not otherwise paid by Contractor pursuant to this sentence. If any such acceptance occurs prior to Engineer's recommendation of final payment, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and Owner shall be entitled to an appropriate decrease in the Contract Price, reflecting the diminished value of Work so accepted. If the parties are unable to agree as to the amount thereof, Owner may make a Claim therefor as provided in Paragraph 10.05. If the acceptance occurs after such recommendation, an appropriate amount will be paid by Contractor to Owner.

13.09 *Owner May Correct Defective Work*

- A. If Contractor fails within a reasonable time after written notice from Engineer to correct defective Work, or to remove and replace rejected Work as required by Engineer in accordance with Paragraph 13.06.A, or if Contractor fails to perform the Work in accordance with the Contract Documents, or if Contractor fails to comply with any other provision of the Contract Documents, Owner may, after seven days written notice to Contractor, correct, or remedy any such deficiency.
- B. In exercising the rights and remedies under this Paragraph 13.09, Owner shall proceed expeditiously. In connection with such corrective or remedial action, Owner may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, take possession of Contractor's tools, appliances, construction equipment and machinery at the Site, and incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere. Contractor shall allow Owner, Owner's representatives, agents and employees, Owner's other contractors, and Engineer and Engineer's consultants access to the Site to enable Owner to exercise the rights and remedies under this Paragraph.
- C. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred or sustained by Owner in exercising the rights and remedies under this Paragraph 13.09 will be charged against Contractor, and a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and Owner shall be entitled to an appropriate decrease in the Contract Price. If the parties are unable to agree as to the amount of the adjustment, Owner may make a Claim therefor as provided in Paragraph 10.05. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Contractor's defective Work.

- D. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to the exercise by Owner of Owner's rights and remedies under this Paragraph 13.09.

ARTICLE 14 – PAYMENTS TO CONTRACTOR AND COMPLETION

14.01 *Schedule of Values*

- A. The Schedule of Values established as provided in Paragraph 2.07.A will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to Engineer. Progress payments on account of Unit Price Work will be based on the number of units completed.

14.02 *Progress Payments*

A. *Applications for Payments:*

1. At least 20 days before the date established in the Agreement for each progress payment (but not more often than once a month), Contractor shall submit to Engineer for review an Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice, or other documentation warranting that Owner has received the materials and equipment free and clear of all Liens and evidence that the materials and equipment are covered by appropriate property insurance or other arrangements to protect Owner's interest therein, all of which must be satisfactory to Owner.
2. Beginning with the second Application for Payment, each Application shall include an affidavit of Contractor stating that all previous progress payments received on account of the Work have been applied on account to discharge Contractor's legitimate obligations associated with prior Applications for Payment.
3. The amount of retainage with respect to progress payments will be as stipulated in the Agreement.

B. *Review of Applications:*

1. Engineer will, within 10 days after receipt of each Application for Payment, either indicate in writing a recommendation of payment and present the Application to Owner or return the Application to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.
2. Engineer's recommendation of any payment requested in an Application for Payment will constitute a representation by Engineer to Owner, based on Engineer's observations of the executed Work as an experienced and qualified design professional, and on Engineer's

review of the Application for Payment and the accompanying data and schedules, that to the best of Engineer's knowledge, information and belief:

- a. the Work has progressed to the point indicated;
 - b. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, the results of any subsequent tests called for in the Contract Documents, a final determination of quantities and classifications for Unit Price Work under Paragraph 9.07, and any other qualifications stated in the recommendation); and
 - c. the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe the Work.
3. By recommending any such payment Engineer will not thereby be deemed to have represented that:
- a. inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in the Contract Documents; or
 - b. there may not be other matters or issues between the parties that might entitle Contractor to be paid additionally by Owner or entitle Owner to withhold payment to Contractor.
4. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment, including final payment, will impose responsibility on Engineer:
- a. to supervise, direct, or control the Work, or
 - b. for the means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or
 - c. for Contractor's failure to comply with Laws and Regulations applicable to Contractor's performance of the Work, or
 - d. to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or
 - e. to determine that title to any of the Work, materials, or equipment has passed to Owner free and clear of any Liens.
5. Engineer may refuse to recommend the whole or any part of any payment if, in Engineer's opinion, it would be incorrect to make the representations to Owner stated in Paragraph 14.02.B.2. Engineer may also refuse to recommend any such payment or, because of subsequently discovered evidence or the results of subsequent inspections or tests, revise or revoke any such payment recommendation previously made, to such extent as may be necessary in Engineer's opinion to protect Owner from loss because:

- a. the Work is defective, or completed Work has been damaged, requiring correction or replacement;
- b. the Contract Price has been reduced by Change Orders;
- c. Owner has been required to correct defective Work or complete Work in accordance with Paragraph 13.09; or
- d. Engineer has actual knowledge of the occurrence of any of the events enumerated in Paragraph 15.02.A.

C. Payment Becomes Due:

- 1. Ten days after presentation of the Application for Payment to Owner with Engineer's recommendation, the amount recommended will (subject to the provisions of Paragraph 14.02.D) become due, and when due will be paid by Owner to Contractor.

D. Reduction in Payment:

- 1. Owner may refuse to make payment of the full amount recommended by Engineer because:
 - a. claims have been made against Owner on account of Contractor's performance or furnishing of the Work;
 - b. Liens have been filed in connection with the Work, except where Contractor has delivered a specific bond satisfactory to Owner to secure the satisfaction and discharge of such Liens;
 - c. there are other items entitling Owner to a set-off against the amount recommended; or
 - d. Owner has actual knowledge of the occurrence of any of the events enumerated in Paragraphs 14.02.B.5.a through 14.02.B.5.c or Paragraph 15.02.A.
- 2. If Owner refuses to make payment of the full amount recommended by Engineer, Owner will give Contractor immediate written notice (with a copy to Engineer) stating the reasons for such action and promptly pay Contractor any amount remaining after deduction of the amount so withheld. Owner shall promptly pay Contractor the amount so withheld, or any adjustment thereto agreed to by Owner and Contractor, when Contractor remedies the reasons for such action.
- 3. Upon a subsequent determination that Owner's refusal of payment was not justified, the amount wrongfully withheld shall be treated as an amount due as determined by Paragraph 14.02.C.1 and subject to interest as provided in the Agreement.

14.03 Contractor's Warranty of Title

- A. Contractor warrants and guarantees that title to all Work, materials, and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to Owner no later than the time of payment free and clear of all Liens.

14.04 *Substantial Completion*

- A. When Contractor considers the entire Work ready for its intended use Contractor shall notify Owner and Engineer in writing that the entire Work is substantially complete (except for items specifically listed by Contractor as incomplete) and request that Engineer issue a certificate of Substantial Completion.
- B. Promptly after Contractor's notification, Owner, Contractor, and Engineer shall make an inspection of the Work to determine the status of completion. If Engineer does not consider the Work substantially complete, Engineer will notify Contractor in writing giving the reasons therefor.
- C. If Engineer considers the Work substantially complete, Engineer will deliver to Owner a tentative certificate of Substantial Completion which shall fix the date of Substantial Completion. There shall be attached to the certificate a tentative list of items to be completed or corrected before final payment. Owner shall have seven days after receipt of the tentative certificate during which to make written objection to Engineer as to any provisions of the certificate or attached list. If, after considering such objections, Engineer concludes that the Work is not substantially complete, Engineer will, within 14 days after submission of the tentative certificate to Owner, notify Contractor in writing, stating the reasons therefor. If, after consideration of Owner's objections, Engineer considers the Work substantially complete, Engineer will, within said 14 days, execute and deliver to Owner and Contractor a definitive certificate of Substantial Completion (with a revised tentative list of items to be completed or corrected) reflecting such changes from the tentative certificate as Engineer believes justified after consideration of any objections from Owner.
- D. At the time of delivery of the tentative certificate of Substantial Completion, Engineer will deliver to Owner and Contractor a written recommendation as to division of responsibilities pending final payment between Owner and Contractor with respect to security, operation, safety, and protection of the Work, maintenance, heat, utilities, insurance, and warranties and guarantees. Unless Owner and Contractor agree otherwise in writing and so inform Engineer in writing prior to Engineer's issuing the definitive certificate of Substantial Completion, Engineer's aforesaid recommendation will be binding on Owner and Contractor until final payment.
- E. Owner shall have the right to exclude Contractor from the Site after the date of Substantial Completion subject to allowing Contractor reasonable access to remove its property and complete or correct items on the tentative list.

14.05 *Partial Utilization*

- A. Prior to Substantial Completion of all the Work, Owner may use or occupy any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which Owner, Engineer, and Contractor agree constitutes a separately functioning and usable part of the Work that can be used by Owner for its intended purpose without significant interference with Contractor's performance of the remainder of the Work, subject to the following conditions:

1. Owner at any time may request Contractor in writing to permit Owner to use or occupy any such part of the Work which Owner believes to be ready for its intended use and substantially complete. If and when Contractor agrees that such part of the Work is substantially complete, Contractor, Owner, and Engineer will follow the procedures of Paragraph 14.04.A through D for that part of the Work.
2. Contractor at any time may notify Owner and Engineer in writing that Contractor considers any such part of the Work ready for its intended use and substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work.
3. Within a reasonable time after either such request, Owner, Contractor, and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Engineer does not consider that part of the Work to be substantially complete, Engineer will notify Owner and Contractor in writing giving the reasons therefor. If Engineer considers that part of the Work to be substantially complete, the provisions of Paragraph 14.04 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.
4. No use or occupancy or separate operation of part of the Work may occur prior to compliance with the requirements of Paragraph 5.10 regarding property insurance.

14.06 *Final Inspection*

- A. Upon written notice from Contractor that the entire Work or an agreed portion thereof is complete, Engineer will promptly make a final inspection with Owner and Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

14.07 *Final Payment*

A. *Application for Payment:*

1. After Contractor has, in the opinion of Engineer, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, marked-up record documents (as provided in Paragraph 6.12), and other documents, Contractor may make application for final payment following the procedure for progress payments.
2. The final Application for Payment shall be accompanied (except as previously delivered) by:
 - a. all documentation called for in the Contract Documents, including but not limited to the evidence of insurance required by Paragraph 5.04.B.6;
 - b. consent of the surety, if any, to final payment;
 - c. a list of all Claims against Owner that Contractor believes are unsettled; and

- d. complete and legally effective releases or waivers (satisfactory to Owner) of all Lien rights arising out of or Liens filed in connection with the Work.
3. In lieu of the releases or waivers of Liens specified in Paragraph 14.07.A.2 and as approved by Owner, Contractor may furnish receipts or releases in full and an affidavit of Contractor that: (i) the releases and receipts include all labor, services, material, and equipment for which a Lien could be filed; and (ii) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which Owner might in any way be responsible, or which might in any way result in liens or other burdens on Owner's property, have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, Contractor may furnish a bond or other collateral satisfactory to Owner to indemnify Owner against any Lien.

B. Engineer's Review of Application and Acceptance:

1. If, on the basis of Engineer's observation of the Work during construction and final inspection, and Engineer's review of the final Application for Payment and accompanying documentation as required by the Contract Documents, Engineer is satisfied that the Work has been completed and Contractor's other obligations under the Contract Documents have been fulfilled, Engineer will, within ten days after receipt of the final Application for Payment, indicate in writing Engineer's recommendation of payment and present the Application for Payment to Owner for payment. At the same time Engineer will also give written notice to Owner and Contractor that the Work is acceptable subject to the provisions of Paragraph 14.09. Otherwise, Engineer will return the Application for Payment to Contractor, indicating in writing the reasons for refusing to recommend final payment, in which case Contractor shall make the necessary corrections and resubmit the Application for Payment.

C. Payment Becomes Due:

1. Thirty days after the presentation to Owner of the Application for Payment and accompanying documentation, the amount recommended by Engineer, less any sum Owner is entitled to set off against Engineer's recommendation, including but not limited to liquidated damages, will become due and will be paid by Owner to Contractor.

14.08 Final Completion Delayed

- A. If, through no fault of Contractor, final completion of the Work is significantly delayed, and if Engineer so confirms, Owner shall, upon receipt of Contractor's final Application for Payment (for Work fully completed and accepted) and recommendation of Engineer, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by Owner for Work not fully completed or corrected is less than the retainage stipulated in the Agreement, and if bonds have been furnished as required in Paragraph 5.01, the written consent of the surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by Contractor to Engineer with the Application for such payment. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

14.09 *Waiver of Claims*

A. The making and acceptance of final payment will constitute:

1. a waiver of all Claims by Owner against Contractor, except Claims arising from unsettled Liens, from defective Work appearing after final inspection pursuant to Paragraph 14.06, from failure to comply with the Contract Documents or the terms of any special guarantees specified therein, or from Contractor's continuing obligations under the Contract Documents; and
2. a waiver of all Claims by Contractor against Owner other than those previously made in accordance with the requirements herein and expressly acknowledged by Owner in writing as still unsettled.

ARTICLE 15 – SUSPENSION OF WORK AND TERMINATION

15.01 *Owner May Suspend Work*

A. At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than 90 consecutive days by notice in writing to Contractor and Engineer which will fix the date on which Work will be resumed. Contractor shall resume the Work on the date so fixed. Contractor shall be granted an adjustment in the Contract Price or an extension of the Contract Times, or both, directly attributable to any such suspension if Contractor makes a Claim therefor as provided in Paragraph 10.05.

15.02 *Owner May Terminate for Cause*

A. The occurrence of any one or more of the following events will justify termination for cause:

1. Contractor's persistent failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment or failure to adhere to the Progress Schedule established under Paragraph 2.07 as adjusted from time to time pursuant to Paragraph 6.04);
2. Contractor's disregard of Laws or Regulations of any public body having jurisdiction;
3. Contractor's repeated disregard of the authority of Engineer; or
4. Contractor's violation in any substantial way of any provisions of the Contract Documents.

B. If one or more of the events identified in Paragraph 15.02.A occur, Owner may, after giving Contractor (and surety) seven days written notice of its intent to terminate the services of Contractor:

1. exclude Contractor from the Site, and take possession of the Work and of all Contractor's tools, appliances, construction equipment, and machinery at the Site, and use the same to the full extent they could be used by Contractor (without liability to Contractor for trespass or conversion);

2. incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere; and
 3. complete the Work as Owner may deem expedient.
- C. If Owner proceeds as provided in Paragraph 15.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Owner arising out of or relating to completing the Work, such excess will be paid to Contractor. If such claims, costs, losses, and damages exceed such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this Paragraph, Owner shall not be required to obtain the lowest price for the Work performed.
- D. Notwithstanding Paragraphs 15.02.B and 15.02.C, Contractor's services will not be terminated if Contractor begins within seven days of receipt of notice of intent to terminate to correct its failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt of said notice.
- E. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue. Any retention or payment of moneys due Contractor by Owner will not release Contractor from liability.
- F. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 5.01.A, the termination procedures of that bond shall supersede the provisions of Paragraphs 15.02.B and 15.02.C.

15.03 *Owner May Terminate For Convenience*

- A. Upon seven days written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):
1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
 2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses;
 3. all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other

dispute resolution costs) incurred in settlement of terminated contracts with Subcontractors, Suppliers, and others; and

4. reasonable expenses directly attributable to termination.

B. Contractor shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

15.04 *Contractor May Stop Work or Terminate*

A. If, through no act or fault of Contractor, (i) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (ii) Engineer fails to act on any Application for Payment within 30 days after it is submitted, or (iii) Owner fails for 30 days to pay Contractor any sum finally determined to be due, then Contractor may, upon seven days written notice to Owner and Engineer, and provided Owner or Engineer do not remedy such suspension or failure within that time, terminate the Contract and recover from Owner payment on the same terms as provided in Paragraph 15.03.

B. In lieu of terminating the Contract and without prejudice to any other right or remedy, if Engineer has failed to act on an Application for Payment within 30 days after it is submitted, or Owner has failed for 30 days to pay Contractor any sum finally determined to be due, Contractor may, seven days after written notice to Owner and Engineer, stop the Work until payment is made of all such amounts due Contractor, including interest thereon. The provisions of this Paragraph 15.04 are not intended to preclude Contractor from making a Claim under Paragraph 10.05 for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to Contractor's stopping the Work as permitted by this Paragraph.

ARTICLE 16 – DISPUTE RESOLUTION

16.01 *Methods and Procedures*

A. Either Owner or Contractor may request mediation of any Claim submitted to Engineer for a decision under Paragraph 10.05 before such decision becomes final and binding. The mediation will be governed by the Construction Industry Mediation Rules of the American Arbitration Association in effect as of the Effective Date of the Agreement. The request for mediation shall be submitted in writing to the American Arbitration Association and the other party to the Contract. Timely submission of the request shall stay the effect of Paragraph 10.05.E.

B. Owner and Contractor shall participate in the mediation process in good faith. The process shall be concluded within 60 days of filing of the request. The date of termination of the mediation shall be determined by application of the mediation rules referenced above.

C. If the Claim is not resolved by mediation, Engineer's action under Paragraph 10.05.C or a denial pursuant to Paragraphs 10.05.C.3 or 10.05.D shall become final and binding 30 days after termination of the mediation unless, within that time period, Owner or Contractor:

1. elects in writing to invoke any dispute resolution process provided for in the Supplementary Conditions; or

2. agrees with the other party to submit the Claim to another dispute resolution process; or
3. gives written notice to the other party of the intent to submit the Claim to a court of competent jurisdiction.

ARTICLE 17 – MISCELLANEOUS

17.01 *Giving Notice*

- A. Whenever any provision of the Contract Documents requires the giving of written notice, it will be deemed to have been validly given if:
 1. delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended; or
 2. delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the notice.

17.02 *Computation of Times*

- A. When any period of time is referred to in the Contract Documents by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

17.03 *Cumulative Remedies*

- A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract Documents. The provisions of this Paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

17.04 *Survival of Obligations*

- A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion, and acceptance of the Work or termination or completion of the Contract or termination of the services of Contractor.

17.05 *Controlling Law*

- A. This Contract is to be governed by the law of the state in which the Project is located.

17.06 *Headings*

- A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.

SUPPLEMENTARY GENERAL CONDITIONS

These Supplementary General Conditions amend or supplement the Standard General Conditions of the Construction Contract and other provisions of the Contract Documents as indicated below. All provisions which are not so amended or supplemented remain in full force and effect.

Article 1 – Definitions and Terminology

SGC-1.01. Defined Terms

The terms used in these Supplementary General Conditions which are defined in the Standard General Conditions of the Construction Contract have the meanings assigned to them in the General Conditions.

Delete the definition of "Resident Project Representative" and replace with the following:

36. *Resident Project Representative* - The authorized representative of the ENGINEER or OWNER, who is assigned the task of observing the performance of the work on a daily basis.

Add the following new definitions:

52. *Written Amendment*—A written statement modifying the Contract Documents, signed by Owner and Contractor on or after the Effective Date of the Agreement and normally dealing with the non-engineering or nontechnical rather than strictly construction-related aspects of the Contract Documents.

53. *Construction Manager*—The authorized representative of Owner who may be assigned to the Site or any part thereof. The individual or entity will be responsible for administration of the Contract as a representative of the Owner. This individual may also serve as the Resident Project Representative. For this Project the Owner has designated the City of Celina to assign at construction a Construction Manager.

SC-1.02 Terminology

Add a new Paragraph 1.02.B.2 as follows:

“2. “At no additional cost to Owner”, “With no extra compensation to Contractor”, “At Contractor’s own expense”, or similar words mean that the Contractor will perform or provide specified Work and that all cost for performing the Work is included in the Contract Price. “

Delete Paragraph 1.02.C and add the following:

“C. *Day*:

1. A “calendar day” shall be a day of 24 hours measured from midnight to the next midnight, and is any day of the year, with no days being excluded.
2. A “working day” shall be a day which permits construction of the principal units of the Work for a period of not less than 7 hours between 7:00 a.m. and 6:00 p.m. Working days do not include days on which weather or other conditions not under the control of the Contractor prevent Contractor from working the seven hours defining a working day. Working days do not include Saturdays, Sundays or any of the following holidays: New Year, President’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas Eve and Christmas Day.”

Add new Paragraphs 1.02.E.5 and 1.02.E.6 as follows:

- “5. Specifications are written in modified brief style. Requirements apply to all Work of the same kind, class, and type even though the word “all” is not stated.”
- “6. Simple imperative sentence structure is used which places a verb as the first word in the sentence. It is understood that the words “furnish”, “install”, “provide”, or similar words include the meaning of the phrase “The Contractor shall...” before these words.”

Article 2 - Preliminary Matters

SGC-2.02. Copies of Documents

Delete paragraph 2.02 of the General Conditions in its entirety and insert the following in its place:

“2.02. Copies of Documents

- A. Four (4) sets of plans and specifications shall be furnished to the CONTRACTOR, at no charge, for construction purposes. If plans have been reduced to one-half size, two (2) sets of those together with two (2) sets reproduced on the original scale shall constitute the four (4) sets of plans furnished to the CONTRACTOR. Additional copies may be obtained at the cost of reproduction upon request by the CONTRACTOR.
- B. Project Engineer shall furnish one (1) sealed PDF of the construction plan sets that can be reproduced by the contractor at their expense.
- C. Owner shall furnish one fully executed Agreement and one copy of the executed Contract Documents in electronic Portable Document Format (PDF). This document is the Project Record Copy of the Contract Documents. Contractor may make as many prints of the documents as needed for construction. Engineer will not provide printed or hard copies to the Contractor.”

SC-2.05 Before Starting Construction

Add a new paragraph immediately after Paragraph 2.05.A.3:

- “B. Before undertaking each part of the Work, Contractor shall carefully study and compare the Contract Documents and check and verify pertinent figures shown thereon and all applicable field measurements. Contractor shall promptly report in writing to the

Engineer any conflict, error, ambiguity or discrepancy which the Contractor may discover and shall obtain a written interpretation from the Engineer before proceeding with any Work affected thereby. In the event of a conflict in the Drawings, Specifications, or other portions of the Contract Documents which were not reported prior to the Award of the Contract, the Contractor shall be deemed to have included the most expensive item in its Bid.”

Article 3 - Contract Documents: Intent, Amending, Reuse

SC-3.01 Intent

Add the following to Paragraph 3.01.A:

Drawings and Specifications do not indicate or describe all of the Work required to complete the Project. Additional details required for the correct installation of selected products are to be provided by the Contractor and coordinated with the Engineer. Provide any work, materials or equipment required for a complete and functional system even if they are not detailed or specified.

1. The Contract requirements described in the General Conditions, Supplementary Conditions and General Requirements apply to each and all Sections of the Specifications unless specifically noted otherwise
2. Organization of Contract Documents is not intended to control or to lessen the responsibility of the Contractor when dividing Work among Subcontractors, or to establish the extent of Work to be performed by any trade, Subcontractor or Supplier. Specifications or details do not need to be indicated or specified in each specification or drawing. Items shown in the Contract Documents are applicable regardless of location in the Contract Documents.
3. Standard paragraph titles and other identifications of subject matter in the Specifications are intended to aid in locating and recognizing various requirements of the Specifications. Titles do not define, limit, or otherwise restrict specification text.

Add new Paragraphs 3.01.D through 3.01.F as follows:

- D. Comply with the most stringent requirements where compliance with two or more standards is specified, and they establish different or conflicting requirements for minimum quantities or quality levels, unless Contract Documents indicate otherwise.
 1. Quantity or quality level shown or indicated shall be the minimum to be provided or performed in every instance.
 2. Actual installation must meet or exceed the minimum quality indicated.
 3. In complying with these requirements, indicated numeric values are minimum or maximum values, as noted, or appropriate for context of requirements.
 4. Refer instances of uncertainty to the Engineer for a decision before proceeding.”
- E. Provide materials and equipment comparable in quality to similar materials and equipment incorporated in the Project or as required to meet the minimum requirements

of the application if the materials and equipment are shown in the Drawings but are not included in the Specifications.

- F. The Contract Documents comprise the entire Agreement between Owner and Contractor. The Contract Documents may be modified only by Field Order, Change Order or Written Amendment.”

SC-3.02 Reference Standards

Add a new Paragraph 3.02.B as follows:

- B. Comply with applicable construction industry standards as if bound or copied directly into the Contract Documents regardless of lack of reference in the Contract Documents. Apply provisions of the Contract Documents where Contract Documents include more stringent requirements than these referenced standards.
1. Standards referenced directly in the Contract Documents take precedence over standards that are not referenced but recognized in the construction industry as applicable.
 2. Comply with standards not referenced but recognized in the construction industry as applicable for performance of the Work except as otherwise limited by the Contract Documents. The Engineer determines whether code or standard is applicable, or which of several are applicable.
 3. Make copies of reference standards available as requested by Engineer or Owner.”

SC-3.03 Reporting and Resolving Discrepancies

Delete Paragraph 3.03.A.3 entirely and insert the following in its place:

3. In the event of a conflict in the Drawings, Specifications, or other portions of the Contract Documents which were not reported prior to the Bidding of the Contract, the Contractor shall be deemed to have included the most expensive item, system, procedure, etc. in his Bid.

SC-3.05 Reuse of Documents

Delete the last sentence of Paragraph 3.05.B entirely and insert the following in its place:

- B. Nothing herein shall preclude Contractor from retaining copies of the Contract Documents for record purposes, unless specifically prohibited in writing by the Owner for security reasons. If the Owner so directs, Contractor shall surrender all copies of the construction Contract Documents and other related documents, in paper or digital format and remove these documents from computer equipment or storage devices as a condition of final payment.

Article 4 - Availability of Lands; Subsurface Conditions and Physical Conditions; Hazardous Environmental Conditions; Reference Points

SC-4.01 Availability of Lands

Add the following to Paragraph 4.01.C:

A copy of the written agreements for the use of such land shall be provided to the Owner for record purposes.

SC-4.02 Subsurface and Physical Conditions

Add the following new paragraphs immediately after Paragraph 4.02.B:

C. The following reports of explorations and tests of subsurface conditions at or contiguous to the Site are known to Owner:

1. **None**

SC-4.03 Differing Subsurface or Physical Conditions

Amend Paragraph 4.03.A by deleting “promptly” and inserting “promptly but no later than within 3 days.”

SC-4.04 Underground Facilities

Amend Paragraph 4.04.B.1 by deleting “promptly” and inserting “promptly but no later than within 3 days.”

SGC-4.05 Reference Points

Add the following language at the end of the third sentence of paragraph 4.05 of the General Conditions:

The furnishing of the reference points does not relieve the CONTRACTOR of the responsibility of checking to insure that the new improvements are constructed to the lines and grades shown on the plans. Should any of the reference points be removed or otherwise disturbed through carelessness of the CONTRACTOR, the reference points will be replaced at the expense of the CONTRACTOR.

SC-4.06 Hazardous Environmental Conditions at Site

Delete Paragraphs 4.06.A and 4.06.B in their entirety and insert the following:

A. No reports or drawings related to Hazardous Environmental Conditions at the Site are known to Owner.

Article 5 - Bonds and Insurance

SC-5.01 Performance, Payment, and Other Bonds

Add the following to Paragraph 5.01.C:

“Failure of the Contractor to provide a satisfactory replacement bond may be considered an event of default under Article 15, Paragraph 15.02.”

Add new paragraphs immediately after Paragraph 5.01.C:

- D. Amounts owed by Owner to Contractor under the Contract shall be used for the performance of the Contract and to satisfy claims, if any, under any performance bond or payment bond. By Contractor furnishing and Owner accepting these bonds, they agree that all funds earned by Contractor in the performance of the Contract are dedicated to satisfy obligations of Contractor under these bonds, subject to Owner’s priority to use the funds for the completion of the Work.
- E. Contractor or surety on behalf of Contractor shall promptly notify the Owner of all claims filed against the Payment Bond. When a claimant has satisfied the conditions prescribed by Texas Government Code 2253, the Contractor or surety on behalf of Contractor shall, with reasonable promptness, notify the claimant and Owner of the amounts that are undisputed and the basis for challenging any amounts that are disputed, including, but not limited to, the lack of substantiating documentation to support the claim as to entitlement or amount, and the Contractor or surety on behalf of Contractor shall, with reasonable promptness, pay or make arrangements for payment of any undisputed amount; provided, however, that the failure of the Contractor or surety on behalf of Contractor to timely discharge its obligations under this paragraph or to dispute or identify any specific defense to all or any part of a claim shall not be deemed to be an admission of liability by the Contractor or surety as to such claim or otherwise constitute a waiver of the Contractor’s or surety’s defenses to, or right to dispute, such claim.
- F. Owner shall not be liable for payment of any costs or expenses of any claimant under Payment Bonds, and shall have no obligations to make payments to, give notices on behalf of, or otherwise have obligations to claimants under Payment Bonds.
- G. In addition to the Performance and Payment Bonds, Contractor shall provide a Maintenance Bond as specified in Section 520 “Maintenance Bond Requirements” in the amount of **10 percent of the Contract Price**. This bond is to become effective the date of the expiration of the one-year correction period specified in Paragraph 13.07 for all or any part of the Project so designated in accordance with GC-14.04, and shall remain in effect for a period of two-years after the expiration of the one-year correction period, except as provided otherwise by Laws or Regulations.

SC-5.02 Licensed Sureties and Insurers

Add a new Paragraph 5.02.B as follows:

- B. Insurance companies providing insurance required by Contract Documents shall have a minimum rating of A-VIII according to A.M. Best Company.

SC-5.03 Certificates of Insurance

Delete Paragraph 5.03.B entirely.

SC-5.04 Contractor's Insurance

Delete paragraph 5.04 A in its entirety and replace with the following:

- A. The following additional information is provided as required by Paragraph 5.04 Contractor's Liability Insurance:

- Workers' Compensation and Employer's Liability Insurance required by Paragraph 5.04 is to provide coverage for not less than the following amounts or greater where required by Laws and Regulations.

Workers' Compensation, etc.,	
State	Statutory
Applicable Federal (e.g., Longshore)	Statutory
Employers' Liability	
Bodily Injury by Accident	\$500,000
Bodily Injury by Disease - Each Employee	\$500,000
Bodily Injury by Disease - Policy Limit	\$500,000

Insurance shall include a waiver of subrogation in favor of the Additional Insured identified in these Supplementary Conditions.

- Contractor's Liability Insurance required by Paragraph 5.04 is to provide coverage for not less than the following amounts or greater where required by Laws and Regulations:

Insurance for Claims of Damages	
General Aggregate (Except Products - Completed Operations)	\$1,000,000 / Occurrence \$2,000,000 / Aggregate
Products - Completed Operations Aggregate	\$1,000,000 / Occurrence \$2,000,000 / Aggregate
Personal and Advertising Injury (One Person/Organization)	\$1,000,000
Each Occurrence (Bodily Injury and Property Damage)	\$1,000,000
Limit Per Person - Medical Expense	\$5000
Personal Injury Liability coverage will include claims arising out of Employment Practices Liability, limited to coverage provided under standard contract.	1,000,000
Property Damage Liability insurance will provide explosion, collapse and underground coverage where applicable	\$1,000,000

Insurance for Claims of Damages	
Watercraft Liability Policy. Coverage shall apply to all self-propelled vessels	\$1,000,000
Excess Liability, Umbrella Form to include coverage of Watercraft Liability. General Aggregate - Each Occurrence	\$1,000,000

3. Contractor's Liability Insurance shall also include completed operations and product liability coverage, and eliminate the exclusion with respect to property under the care, custody and control of Contractor. In lieu of elimination of the exclusion, Contractor may provide and maintain Installation Floater insurance for property under the care, custody, or control of Contractor. The Installation Floater insurance shall be a broad form or "All Peril" policy providing coverage for all materials, supplies, machinery, fixture, and equipment which will be incorporated into the Work.
 - a. Coverage under the Contractors Installation Floater will include:
 - 1). Faulty or defective workmanship, materials, maintenance or construction.
 - 2). Cost to remove defective or damaged Work from the Site or to protect it from loss or damage.
 - 3). Cost to cleanup and remove pollutants.
 - 4). Coverage for testing and startup.
 - 5). Any loss to property while in transit.
 - 6). Any loss at the Site.
 - 7). Any loss while in storage, both on-site and off-site.
 - 8). Any loss to temporary project works if their value is included in the Contract Price.
4. Coverage cannot be contingent on an external cause or risk or limited to property for which the Contractor is legally liable. Contractor's Installation Floater will provide limits of insurance adequate to cover the value of the installation. The Contractor will be solely responsible for any deductible carried under this coverage and claims on materials, supplies, machinery, fixture, and equipment which will be incorporated into the Work while in transit or in storage. This policy will include a waiver of subrogation for those listed as additional insured in these Supplemental Conditions.
5. Contractor's Automobile Liability Insurance required by Paragraph 5.04.A.6 is to provide coverage for not less than the following amounts or greater where required by Laws and Regulations.

Bodily Injury	
Each Person	\$1,000,000

Each Accident	\$1,000,000
Property Damage	
Each Accident, or	\$1,000,000
Combined Single Limit (Bodily Injury and Property Damage)	\$1,000,000

6. Additional insured on all insurance policies in accordance with Paragraph 5.04.B include:
 - a. Owner (City of Celina)
 - b. Engineer (GARVER LLC)
7. Contractor's Contractual Liability Insurance required by Paragraph 5.04.B is to provide coverage for not less than the following amounts or greater where required by Laws and Regulations.

B. Contractor's Contractual Liability Insurance

Contractor's Contractual Liability Insurance	
General Aggregate	\$1,000,000
Each Occurrence (Bodily Injury and Property Damage)	\$1,000,000

SC-5.05 Owner's Liability Insurance

Delete Paragraph 5.05.A entirely and insert the following in its place:

- A. In addition to the insurance required to be provided by Contractor under Paragraph 5.04, Contractor shall purchase and maintain for Owner, at no additional cost, Owner's Protective Liability insurance naming Owner as the named insured with insurance that will protect said parties against claims which may arise from operations under the Contract Documents. This coverage shall be from the same company that provides Contractor's liability insurance coverage, and in the same minimum amounts. The Engineer and Engineer's consultants are additional insured as their interest may appear including their officers, directors, agents and employees.

SC-5.06 Property Insurance

Delete Paragraph 5.06.A entirely and insert the following in its place; Subparagraphs 1 through 7 shall remain:

- A. Contractor shall purchase and maintain property insurance upon the Work at the Site in the amount of the full replacement cost thereof (subject to deductible amounts as may be provided by the Supplementary Conditions or required by Laws and Regulations). The policies of insurance required to be purchased and maintained by Contractor in accordance with this Paragraph 5.06 shall comply with requirements of Paragraph 5.08. This insurance shall:"

Amend Paragraph 5.06.A.4 by inserting the following language after the word "Work" in the second line:

“and in transit for incorporation in the Work from such storage locations”

Delete Paragraph 5.06.B entirely and insert the following in its place:

- B. Contractor shall purchase and maintain such boiler and machinery insurance or additional property insurance as may be required by the Supplementary Conditions or Laws and Regulations which will include the interests of those listed as an insured or listed as an additional insured in Paragraph SC-5.04.E.

Delete Paragraph 5.06.E entirely.

SC-5.07 Waiver of Rights

Delete Paragraph 5.07.B entirely.

SC-5.08 Receipt and Application of Insurance Proceeds

Delete Paragraph 5.08 entirely.

SC-5.11 Owner's Insurance for Project

Add a new Paragraph 5.11 as follows:

5.11 Owner's Insurance for Project

- A. Owner shall not be responsible for purchasing and maintaining any insurance to protect the interest of the Contractor, Subcontractors, or others in the Work. The stated limits of insurance required are minimum only. Contractor shall determine the limits that are adequate. These limits may be basic policy limits or any combination of basic limits and umbrella limits. In any event, Contractor is fully responsible for all losses arising out of, resulting from or connected with operations under this Contract whether or not said losses are covered by insurance. The acceptance of certificates or other evidence of insurance by the Owner, Engineer, and/or others listed as additional insured in Paragraph SC-5.04.E that in any respect do not comply with the Contract requirements does not release the Contractor from compliance herewith.”

Article 6 - Contractor's Responsibilities

SC-6.05 Substitutes and “Or-Equals”

Amend Paragraph 6.05.E by deleting the word “substitute” in all locations and replacing it with the phrase “substitute or “or-equal””.

Insert paragraph “G”:

- G. Any substitutes or “or-equal” items, construction methods, or procedures that the CONTRACTOR wishes to submit to the ENGINEER must be done so within 60 days after the start of the contract time.

SC 6.06 Concerning Subcontractor, Suppliers and Others

Amend Paragraph 6.06.B by deleting the words “Supplementary Conditions” and inserting the words “Contract Documents” in their place.

Insert paragraph “H”:

- H. The CONTRACTOR shall submit a list of all Subcontractors, Suppliers or other persons or organizations to the OWNER in advance of the specified date prior to the Effective Date of the Agreement for acceptance by OWNER and ENGINEER.”

Add a new Paragraph 6.06.I as follows:

- I. Owner or Engineer may furnish to any such Subcontractor, Supplier, or other person or organization, to the extent practicable, information about amounts paid to Contractor in accordance with Contractor’s Application for Payment on account of the particular Subcontractor’s, Supplier’s, other person’s or other organization’s Work.

SC 6.09 Laws and Regulations

Delete Paragraph 6.09.B and insert the following in its place:

- B. If Contractor performs any Work that it is contrary to Laws or Regulations, Contractor shall bear all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work.

Add a new Paragraph 6.09.D as follows:

- D. All Bidders are required to complete and submit with their Bid, the Contractor Compliance to State Law form, which follows the proposal.

SC 6.10 Taxes

Add the following to Paragraph 6.10.A:

“The Owner qualifies as an exempt agency as defined by the statutes of the State of Texas. The Contractor shall comply with all statutes and rulings of the State Comptroller.”

SG 6.11 Use of Site and Other Areas

Add the following paragraph at the end of the last sentence of section B of 6.11 of the General Conditions:

- B. All waste material removed from the Project site or right-of-way as a preliminary to the construction of the work or its appurtenances shall be promptly removed from the property

and disposed of in an acceptable manner. The OWNER may, at its option, elect to receive excess spoil materials. The CONTRACTOR shall, at the direction of representatives of the OWNER, haul all excess spoils material to a site approved by the OWNER. No extra compensation will be made for the removal and hauling of this material; all costs shall be included in the various pay items.

SC 6.13 Safety and Protection

Add the following to Paragraph 6.13.F:

“The Contractor’s duties and responsibilities for the safety or protection of persons or the Work or property at the Site or adjacent thereto shall be reinstated when any additional efforts are required during the one-year correction period to correct defects in the Work.”

SC 6.16 Emergencies

Amend Paragraph 6.16.A by deleting the third sentence and inserting the following in its place:

“If Engineer determines that the incident giving rise to the emergency action was not the responsibility of the Contractor and that a change in the Contract Documents is required because of the action taken by Contractor in response to such an emergency, a Change Order, Field Order or Work Change Directive will be issued.”

SC-6.17 Shop Drawings and Samples

Delete Paragraph 6.17.C.3 entirely and insert the following in its place:

3. With each submittal, Contractor shall give Engineer specific written notice of any variations that the Shop Drawing or Sample may have from the requirements of the Contract Documents on a Shop Drawing Deviation Request form provided by the Engineer and request that a Field Order or Change Order be issued for each of the specific variations submitted for approval. This notice shall be both a written communication separate from the Shop Drawings or Sample submittal; and, in addition, by a specific notation made on each Shop Drawing or Sample submitted to Engineer for review and approval of each such variation.

Delete Paragraph 6.17.D.3 entirely and insert the following in its place:

3. Engineer’s review and approval shall not relieve Contractor from responsibility for any variation from the requirements of the Contract Documents unless Contractor has complied with the requirements of Paragraph 6.17.C.3 and Engineer has given written approval of each such variation issuing a Field Order or Change Order. If the proposed modification is approved by the Engineer, the submittal will be considered to be in strict compliance with the Contract Documents and it will be reviewed in accordance with the Contract Documents. If the proposed Modification is not approved, the submittal will be returned to the Contractor with appropriate comments. Engineer’s review and approval shall not relieve Contractor from responsibility for complying with the requirements of Paragraph 6.17.C.1.

Delete Paragraph 6.17.E.1 entirely and insert the following in its place:

1. Contractor shall make corrections required by Engineer and shall return the required number of corrected copies of Shop Drawings and submit, as required, new Samples for review and approval. Re-submittals shall reference and respond directly to Engineer's previous comments. Any variations from strict compliance with the Contract Documents will be identified in the same manner as required in Paragraph 6.17.C.3 and will require the same approvals.
2. Any and all costs, direct or indirect, incurred by the OWNER in reviewing Shop Drawings and Samples in excess of two (2) times will be charged to the contractor and deducted from the total price for the work.

Add the following new paragraphs immediately after Paragraph 6.17.E:

- F. Contractor shall furnish required submittals with sufficient information and accuracy in order to obtain required approval of an item with no more than two submittals. Engineer will record Engineer's time for reviewing subsequent submittals of Shop Drawings, Samples, or other items requiring approval and Contractor shall reimburse Owner for Engineer's charges for such time.
- G. In the event that Contractor requests a change of a previously approved item, Contractor shall reimburse Owner for Engineer's charges for its review time unless the need for such change is beyond the control of Contractor.

SC 6.18 Continuing the Work

Add the following to Paragraph 6.18.A:

Contractor assumes and bears responsibility for all costs and time delays associated with any variation from the requirements of the Contract Documents.

SC 6.20 Indemnification

Delete Paragraph 6.20.C entirely.

Article 7 - Other Work at Site

SC 7.04 Claims Between Contractors

Add a new Paragraph 7.04 as follows:

7.04 Claims between Contractors

- A. Should Contractor cause damage to the work or property of any other contractor at the Site, or should any claim arising out of Contractor's performance of the Work at the Site be made by any other contractor against Contractor, Owner, Engineer, or the construction coordinator, then Contractor (without involving Owner, Engineer, or construction coordinator) shall either (1) remedy the damage, (2) agree to compensate the other contractor for remedy of the damage, or (3) remedy the damage

and attempt to settle with such other contractor by agreement, or otherwise resolve the dispute by arbitration or at law.

- B. CONTRACTOR SHALL, TO THE FULLEST EXTENT PERMITTED BY LAWS AND REGULATIONS, INDEMNIFY AND HOLD HARMLESS OWNER, ENGINEER, THE CONSTRUCTION COORDINATOR AND THE OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS AND OTHER CONSULTANTS AND SUBCONTRACTORS OF EACH AND ANY OF THEM FROM AND AGAINST ALL CLAIMS, COSTS, LOSSES AND DAMAGES (INCLUDING, BUT NOT LIMITED TO, FEES AND CHARGES OF ENGINEERS, ARCHITECTS, ATTORNEYS, AND OTHER PROFESSIONALS AND COURT AND ARBITRATION COSTS) ARISING DIRECTLY, INDIRECTLY OR CONSEQUENTIALLY OUT OF ANY ACTION, LEGAL OR EQUITABLE, BROUGHT BY ANY OTHER CONTRACTOR AGAINST OWNER, ENGINEER, CONSULTANTS, OR THE CONSTRUCTION COORDINATOR TO THE EXTENT SAID CLAIM IS BASED ON OR ARISES OUT OF CONTRACTOR'S PERFORMANCE OF THE WORK. SHOULD ANOTHER CONTRACTOR CAUSE DAMAGE TO THE WORK OR PROPERTY OF CONTRACTOR OR SHOULD THE PERFORMANCE OF WORK BY ANY OTHER CONTRACTOR AT THE SITE GIVE RISE TO ANY OTHER CLAIM, CONTRACTOR SHALL NOT INSTITUTE ANY ACTION, LEGAL OR EQUITABLE, AGAINST OWNER, ENGINEER, OR THE CONSTRUCTION COORDINATOR OR PERMIT ANY ACTION AGAINST ANY OF THEM TO BE MAINTAINED AND CONTINUED IN ITS NAME OR FOR ITS BENEFIT IN ANY COURT OR BEFORE ANY ARBITER WHICH SEEKS TO IMPOSE LIABILITY ON OR TO RECOVER DAMAGES FROM OWNER, ENGINEER, OR THE CONSTRUCTION COORDINATOR ON ACCOUNT OF ANY SUCH DAMAGE OR CLAIM.**
- C.** If Contractor is delayed at any time in performing or furnishing the Work by any act or neglect of another contractor, and Owner and Contractor are unable to agree as to the extent of any adjustment in Contract Times attributable thereto, Contractor may make a Claim for an extension of times in accordance with Article 12. An extension of the Contract Times shall be Contractor's exclusive remedy with respect to Owner, Engineer, and construction coordinator for any delay, disruption, interference, or hindrance caused by any other contractor. This paragraph does not prevent recovery from Owner, Engineer, or construction coordinator for activities that are their respective responsibilities."

Article 9 - Engineer's Status During Construction

SC-9.03 Project Representative

Add the following new paragraphs immediately after Paragraph 9.03.A:

- B.** The Resident Project Representative (RPR) will be Engineer's employee or agent at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions. RPR's dealings in matters pertaining to the Work in general shall be with Engineer and Contractor. RPR's dealings with Subcontractors shall be through or with the full knowledge and approval of Contractor. The RPR shall:

1. Schedules: Review the Progress Schedule, schedule of Shop Drawing and Sample submittals, and Schedule of Values prepared by Contractor and consult with Engineer concerning acceptability.
2. Conferences and Meetings: Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences and other Project-related meetings, and prepare and circulate copies of minutes thereof.
3. Liaison:
 - a. Serve as Engineer's liaison with Contractor, working principally through Contractor's authorized representative, assist in providing information regarding the intent of the Contract Documents.
 - b. Assist Engineer in serving as Owner's liaison with Contractor when Contractor's operations affect Owner's on-site operations.
 - c. Assist in obtaining from Owner additional details or information, when required for proper execution of the Work.
4. Interpretation of Contract Documents: Report to Engineer when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by Engineer.
5. Shop Drawings and Samples:
 - a. Record date of receipt of Samples and approved Shop Drawings.
 - b. Receive Samples which are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.
6. Modifications: Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report such suggestions, together with RPR's recommendations, to Engineer. Transmit to Contractor in writing decisions as issued by Engineer.
7. Review of Work and Rejection of Defective Work:
 - a. Conduct on-site observations of Contractor's work in progress to assist Engineer in determining if the Work is in general proceeding in accordance with the Contract Documents.
 - b. Report to Engineer whenever RPR believes that any part of Contractor's Work in progress will not produce a completed Project that conforms generally to the Contract Documents or will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Engineer of that part of Work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.
8. Inspections, Tests, and System Startups:
 - a. Verify that tests, equipment, and systems startups and operating and maintenance training are conducted in the presence of appropriate Owner's personnel, and that Contractor maintains adequate records thereof.
 - b. Observe, record, and report to Engineer appropriate details relative to the test procedures and systems startups.
9. Records:
 - a. Record names, addresses, fax numbers, email addresses, website locations, and telephone numbers of all Contractors, Subcontractors, and major Suppliers of materials and equipment.
 - b. Maintain records for use in preparing project documentation.
10. Reports:

- a. Furnish to Engineer periodic reports as required of progress of the Work and of Contractor's compliance with the Progress Schedule and schedule of Shop Drawing and Sample submittals.
 - b. Draft and recommend to Engineer proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.
 - c. Immediately notify Engineer of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, damage to property by fire or other causes, or the discovery of any Hazardous Environmental Condition.
- 11. Payment Requests: Review Applications for Payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to Engineer, noting particularly the relationship of the payment requested to the Schedule of Values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.
- 12. Certificates, Operation and Maintenance Manuals: During the course of the Work, verify that materials and equipment certificates, Operation and Maintenance Manuals and other data required by the Specifications to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to Engineer for review and forwarding to Owner prior to payment for that part of the Work.
- 13. Completion:
 - a. Participate in a Substantial Completion inspection, assist in the determination of Substantial Completion and the preparation of lists of items to be completed or corrected.
 - b. Participate in a final inspection in the company of Engineer, Owner, and Contractor and prepare a final list of items to be completed and deficiencies to be remedied.
 - c. Observe whether all items on the final list have been completed or corrected and make recommendations to Engineer concerning acceptance and issuance of the Notice of Acceptability of the Work.
- C. The RPR shall not:
 - 1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).
 - 2. Exceed limitations of Engineer's authority as set forth in the Contract Documents.
 - 3. Undertake any of the responsibilities of Contractor, Subcontractors, Suppliers, or Contractor's superintendent.
 - 4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of Contractor's Work unless such advice or directions are specifically required by the Contract Documents.
 - 5. Advise on, issue directions regarding, or assume control over safety practices, precautions, and programs in connection with the activities or operations of Owner or Contractor.
 - 6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
 - 7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.
 - 8. Authorize Owner to occupy the Project in whole or in part."

SC-9.04 Authorized Variations in Work

Add the following to Paragraph 9.04.A:

“The Contractor shall notify the Engineer in writing prior to beginning any Work addressed in a Field Order if the Contractor does not agree that the Work involved represents no additional cost and/or time change in the Contract Documents.”

Article 10 - Changes in the Work; Claims**SC-10.03 Execution of Change Orders**

Add a new Paragraph 10.03.B as follows:

B. Contractor assumes and bears responsibility for all costs and time delays associated with any variation from the requirements of the Contract Documents unless the variation is specifically approved by Change Order.”

SC-10.05 Claims

Amend Paragraph 10.05.B by deleting “30” and inserting “7” in its place and by deleting “60” and inserting “30” in its place.

ARTICLE 11 - Cost of the Work; Allowances; Unit Price Work**SC-11.01 Cost of the Work**

Amend Paragraph 11.01.A by deleting the following words in the third sentence:

“those prevailing in the locality of the Project, shall not include any of the costs itemized in Paragraph 11.01.B, and shall include only the following items:”

And insert the following in its place:

“those paid for the Work included in the Contract Price, shall include only the following items, and shall not include any of the costs itemized in Paragraph 11.01.B. Contractor shall provide certified payroll records listing personnel classifications and salaries for all individuals involved in additional Work. Salaries for those not included in the certified payroll will be considered as being compensated under Paragraph 11.01.B, and shall include only the following items:”

Amend Paragraph 11.01.A.1 by deleting the following words in the second sentence:

“without limitation superintendents, foreman”

And inserting the following in its place:

“one foreman (unless agreed upon prior to beginning Work)”

Amend Paragraph 11.01.A.1 by deleting the following words in the last sentence:

“be included in the above”

And inserting the following in its place:

“not exceed 1.5 times regular pay and shall be included in the above”

Amend Paragraph 11.01.B.1 by adding “superintendents” to the list of excluded personnel in the first sentence.

Amend Paragraph 11.01.D by inserting “and at intervals” in the last sentence as shown below:

“.....and submit in a form and at intervals acceptable to Engineer ...”

SC-11.03 Unit Price Work

Delete Paragraph 11.03.D entirely and insert the following in its place:

- D. The unit price of an item of Unit Price Work shall be subject to reevaluation and adjustment under the following conditions:
 - 1. If the total cost of a particular item of Unit Price Work amounts to 20 percent or more of the total Contract Price and the variation in the quantity of that particular item of Unit Price Work performed by the Contractor differs by more than 20 percent from the estimated quantity of such item indicated in the Agreement; and
 - 2. If there is no corresponding adjustment with respect to any other item of Work; and
 - 3. If Contractor believes that Contractor has incurred additional expense as a result thereof; or if Owner believes that the quantity variation entitles Owner to an adjustment in the Unit Price, either the Owner or Contractor may make a Claim for an adjustment in the Contract Price in accordance with Article 11 if the parties are unable to agree as to the effect of any such variation in the quantity of the Unit Price Work performed.”

Article 12 - Change of Contract Price; Change of Contract Times

SC-12.03 Delays

Add the following to Paragraph 12.03.A:

“No time extensions will be allowed for weather conditions for Projects using calendar days for the Contract Time.”

SC-12.04 No Damage for Delays

Add a new Paragraph 12.04 as follows:

- 12.04 No Damage for Delays
 - A. The Contractor agrees to make no claims for damage for delay in the performance of the Contract occasioned by any act or omission to act of the Owner, Engineer, or any of the Engineer’s or Owner’s agents, and agrees that any such claim shall be fully compensated by an extension of time, as set forth in a Change Order, to complete performance of the Work as provided herein.”

ARTICLE 13 – TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK

SGC-13.07 Correction Period

Amend the first sentence of paragraph 13.07 of the General Conditions by striking the words "one year after date of Substantial Completion" and inserting with "two years after date of Final Acceptance by Owner" and as so amended Paragraph 13.07A remains in affect. "Final Acceptance by Owner" being the date of acceptance by the governing body of the Owner.

ARTICLE 14 – PROGRESS PAYMENTS

SGC-14.02. Delete paragraph 14.02 and replace with the following new paragraph.

On or before the 25th of each month, the CONTRACTOR shall submit to the ENGINEER, his invoice on forms supplied by the ENGINEER covering work completed as of the last day of each month. The quantities shown as work done to date shall accurately reflect the actual work completed as of the last day of each month. These quantities shall be verified by the Resident Project Representative prior to submittal to the ENGINEER. The invoice shall include all supporting documentation as required by the Contract Documents. If payment is requested for "Materials on Hand" which have been incorporated in the work but delivered and suitably stored at the site or at another location agreed to in writing, the request for payment shall also be accompanied by a bill of sale, invoice or other documentation warranting that OWNER has received the materials and equipment free and clear of all liens, charges, security interests, and encumbrances (which are hereinafter in the General Conditions referred to as "Liens") and evidence that the materials and equipment are covered by appropriate property insurance and other arrangements to protect OWNER'S interest therein, all of which will be satisfactory to OWNER.

Amend Paragraph 14.02.D.1 by deleting "or" in Paragraph 14.02.D.1.c and adding new paragraphs "e", "f", "g", and "h" as follows:

- "e. Owner has been notified of failure to make payments to Subcontractors or Suppliers or for labor, or"
- "f. failure to submit up-to-date record documents as required by GC-6.12, or"
- "g. failure to submit monthly Progress Schedule updates or revised schedules as requested by the Owner or Engineer, or"
- "h. failure to provide project photographs required by the Specifications."

Amend Paragraph 14.02.D.2 by adding "to Owner's satisfaction."

Amend Paragraph 14.02.D.3 by deleting "and subject to interest as provided in the Agreement."

Add a new Paragraph 14.02.D.4 as follows:

- 4. Owner may permanently withhold payment from Contract Price for:

- a. liquidated damages incurred by Contractor, or
- b. compensation for Engineer for overtime charges of Resident Project Representative, third review of submittals, review of substitutions, re-inspection fees, inspections or designs related to correction of defective Work, or other Services identified as requiring payment by the Contractor. Compensation will be based on the following rates:

Position	Hourly Rate
Principal in Charge	\$245
Project Manager	\$160
Project Engineer	\$160
Construction Manager	\$170
Resident Engineer	\$130
Resident Project Representative	\$130
Senior Resident Representative	\$180
Design Engineer	\$120
Engineering Technician	\$105
Clerk	\$95
Expenses will be billed at the actual cost multiplied by 1.15	

- c. Costs for tests performed by the Owner to verify that Work previously tested and found to be defective has been corrected. Verification testing is to be provided at the Contractor's expense to verify products or constructed works are in compliance after corrections have been made."

SC-14.04 Substantial Completion

Add a new paragraph immediately after Paragraph 14.04.E.

- F. The following items must be fully functional and suitable for Substantial Completion:
 1. **Waterlines in service**

Article 15 - Suspension of Work and Termination

SC-15.02 Owner May Terminate for Cause

Add a new Paragraph 15.02.A.5 as follows:

5. If Contractor fails to provide the replacement bond required by General Conditions, Section 5.01.C or insurance coverage as required by General Conditions Article 5 and as amended by Supplemental Conditions.

Add a new Paragraph 15.02.A.6 as follows:

6. If any petition of bankruptcy is filed by or against Contractor, or if Contractor is adjudged as bankrupt or insolvent or makes a general assignment for the benefit of creditors, or if a receiver is appointed for the benefit of Contractor's creditors, or if a receiver is appointed on account of Contractor's insolvency, upon the occurrence of any such event, Owner shall be entitled to request of Contractor or its successor in interest adequate assurance of future performance in accordance with the terms and conditions hereof. Failure to comply with such request within 7 days of delivery of the request shall entitle Owner to terminate this agreement and to the accompanying rights set forth in Paragraphs 15.02 and 15.03 hereof. In all events pending receipt of adequate assurance of performance and actual performance in accordance therewith, Owner shall be entitled to proceed with the Work with its own forces or with other contractors on a time and material or other appropriate basis. The cost of work by Owner or other contractors will be back charged against the Contract Sum hereof.

Delete Paragraph 15.02.F entirely.

SC-15.04 Contractor May Stop Work or Terminate

Add a new Paragraph 15.04.C as follows:

- C. This Contract may not be assigned in whole or in part by the Contractor without the previous written consent of the Owner.

Article 16 - Dispute Resolution

SC-16.01 Methods and Procedures

Delete Paragraph 16.01 entirely and insert the following in its place:

16.01 *Methods and Procedures*

- A. Owner and Contractor may exercise such rights or remedies as either may otherwise have under the Contract Documents or by Law."

Article 17 - Miscellaneous

SC-17.02 Giving Notice

Add a new Paragraph 17.02.B as follows:

- B. All references and conditions for a "calendar day contract" in the General Conditions and Supplementary Conditions shall apply for a "Fixed Date Contract." A "Fixed Date Contract" is one in which the calendar dates for reaching Substantial Completion and/or final completion are specified in lieu of identifying the actual calendar days involved.

SC-17.06 Headings

Delete Paragraph 17.06 in its entirety and add a new Paragraph 17.06 as follows:

17.06 Headings

- A. The Article and paragraph headings in this Agreement are inserted for convenience only and do not constitute parts of these General Conditions or as a limitation of the scope of the particular section to which they refer. This Agreement will be fairly interpreted in accordance with its terms and conditions and not for or against either Party.”

SC-17.07 Independent Contractor

Add a new Paragraph 17.07 as follows:

17.07 Independent Contractor

- A. Each Party will perform its duties under this Agreement as an independent contractor. The Parties and their personnel will not be considered to be employees or agents of the other Party. Nothing in this Agreement will be interpreted as granting either Party the right or authority to make commitments of any kind for the other. This Agreement will not constitute, create, or be interpreted as a joint venture, partnership or formal business organization of any kind.

SC-17.08 Severability

Add a new Paragraph 17.08 as follows:

17.08 Severability

- A. If a court of competent jurisdiction renders any part of this Agreement invalid or unenforceable, that part will be severed and the remainder of this Agreement will continue in full force and effect.

SC-17.09 No Third Party Beneficiaries

Add a new Paragraph 17.09 as follows:

17.09 No Third Party Beneficiaries

- A. Nothing in this Agreement shall be construed to create any right in any third party not a signatory to this Agreement, and the parties do not intend to create any third party beneficiaries by entering into this Agreement.

SC-17.10 Sovereign Immunity

Add a new Paragraph 17.10 as follows:

17.10 *Sovereign Immunity*

- A. The parties agree that the Owner has not waived its sovereign immunity by entering into and performing its obligations under this Agreement.”

SC-17.11 Prevailing Wage Rates

Add a new Paragraph 17.11 as follows:

17.11. Prevailing Wage Rates

All employees of the CONTRACTOR on the work to be performed under this Contract shall be paid the prevailing wage scale in this locality for work of similar character.

SGC-17.12 Water Spoils

Add a new Paragraph 17.12 as follows:

17.12 Water Spoils

The Contractor shall be fully responsible for the draining and disposal of all water used in testing. The Contractor shall obtain approval of the Owner and Engineer of the manner in which the water will be drained and disposed.

SC-17.13 Special Requirements

Add a new Paragraph 17.13 as follows:

17.13 The following special requirements are incorporated herewith:

1. Coordination with Others

In the event other contractors are doing work in the same area simultaneously with this project, the CONTRACTOR shall coordinate his proposed construction with that of the other contractors. The CONTRACTOR shall coordinate all work with the OWNER’S operations personnel to prevent prolonged interruption of service of any portion of the facilities.

2. Project Maintenance

The CONTRACTOR shall maintain and keep in good repair the improvements covered by these plans and specifications during the life of his contract.

3. Safety

In accordance with generally accepted construction practices, the CONTRACTOR will be solely and completely responsible for conditions of the job site, including safety of all persons and property during performance of the work. This requirement will apply continuously and will not be limited to normal working hours.

The duty of the ENGINEER to conduct construction review of the CONTRACTOR’S performance is not intended to include review of the adequacy of the CONTRACTOR’S safety measures, in, on, or near the construction site.

4. Protection of Improvements

The CONTRACTOR shall be entirely responsible for the protection of all improvements that are not designed by the ENGINEER to be removed for proper construction of this project; this shall include sidewalks, retaining walls, existing inlets, and manholes, underground utilities, shrubs, trees, signs, sod, and existing pavement.

5. Salvaged Materials

All materials removed in the construction of this project, and designated on the plans, or by the ENGINEER, as salvaged materials shall be removed, cleaned, and stored as directed by the ENGINEER. Salvaged materials shall be the property of the OWNER.

6. Cleanup

During construction, the CONTRACTOR shall, at all times, keep the site of the work and adjacent premises free from materials, debris, and rubbish as is practicable and shall remove same from any portion on the site, if, in the opinion of the ENGINEER, such materials, debris, or rubbish constitutes a nuisance or is objectionable.

The CONTRACTOR shall remove from the site all the surplus materials and temporary structures when no further need therefore develops.

At the conclusion of the work, all temporary structures and materials belonging to the CONTRACTOR shall be promptly removed and all dirt, rubbish, and other foreign substances shall be disposed of.

The CONTRACTOR shall thoroughly clean all equipment and materials installed by him and shall deliver over such materials and equipment undamaged in a bright, clean, polished and new appearing condition.

7. Public Utilities and Other Property to be Changed

The locations of all utility lines shown on the plans are from the best available information from field survey. The contractor is responsible for verifying all utility line locations in the area. The location of all water and sanitary sewer lines are approximate. The contractor shall field verify location prior to installation of proposed lines. The contractor shall notify the engineer/owner of any potential conflict prior to installation of new utilities. No extra payment shall be made for locating existing utility lines, other than those stated in the proposal.

In case it is necessary to change or move the property of any public utility, such property shall not be moved or interfered with until ordered to do so by the ENGINEER. The right is reserved to the OWNER of public utilities to enter upon the limits of the project for the purpose of making such changes or repairs of their property that may be made necessary by performance of this Contract.

8. Fences and Drainage Channels

Boundary fences or other improvements removed to permit the prosecution of the work shall be replaced in the same location and left in a condition as good or better than that in which they were found. Where surface drainage channels are disturbed or blocked during construction, they shall be restored to their original condition or grade and cross section after work of construction is completed.

9. Quantities in Proposal Form

Measurement and Payment. Payment will be made only for Bid Items listed in the Proposal.

10. Removing Existing Concrete Pavement, Driveways, and Sidewalks

Existing concrete pavement, driveways or sidewalks to be completely removed shall be broken by air driven machinery or other suitable means. Where only a portion of the existing concrete is to be removed, special care shall be exercised to avoid damage to that portion of the concrete to remain in place. The existing concrete shall be cut by sawing to the lines shown on the plans or established by the ENGINEER, and any existing concrete beyond the neat lines so established when damaged or destroyed by these operations shall be replaced at the CONTRACTOR'S entire expense.

11. Traffic Safety

The Contractor will provide a Traffic Control / Construction Sequencing Plan if there will be any adverse impacts to traffic flow in the vicinity of the construction. This plan must be provided to the owner for review and approval prior to any construction. All traffic control must conform to the Texas Manual on Uniform Control Devices for Streets and Highways - Part VI (latest revision).

The contractor must provide the homeowners with access to their driveways at all times for the duration of construction.

The price for preparation of the traffic control plan and implementation of said plan shall be paid for in the lump sum price provided in the Proposal.

12. Line and Grade

The Engineer will furnish a control bench mark and control points as shown on the plans. No construction staking will be provided by the Engineer for this project. Any re-staking required shall be at the sole cost of the contractor.

13. Concrete

Fly ash shall not be used in any concrete for this project.

14. Excavation

Excavation as such in this contract is not a separate pay item. No classification of excavation material will be made. Costs associated with excavation shall be included in such pay items as are provided in the contract and proposal.

15. Removing Obstructions

Existing driveways, mailboxes, fences, sidewalks, landscaping, signs, and RCP or CMP drainage pipes shall be removed and replaced where necessary. The Contractor shall replace existing obstructions with equal or better materials. Coordinate any removal with the Property Owner. The removal and replacement of all fences, landscaping, and signs shall be considered subsidiary to the cost of the line. Cost associated with the removal and replacement of mailboxes, driveways, and drainage pipes, shall be included in such items as provided in the Proposal. The Contractor shall maintain temporary mailboxes, as needed, for continuous mail service along all areas affected by construction (not a pay item).

16. Irrigation Lines

There shall be no separate pay item for repair or replacement of existing irrigation lines. Any and all repairs shall be included in such pay items as provided in the proposal. Where existing irrigation lines are located within the Right-of-Way and are in conflict with proposed construction, the Contractor shall notify the owner of the lines at least 72 hours prior to any

construction. All irrigation lines shall be capped at appropriate locations and shall be replaced to equal or better condition.

17. Water Service Lines

There shall be no separate pay item for repair of any water service line damage during construction. Any and all repairs shall be included in such pay items as provided in the proposal. Where existing service lines are located within the Right-of-Way and are in conflict with proposed construction, the Contractor shall notify the City of Celina of the lines at least 72 hours prior to any construction.

18. Saw Joints and Expansion Joints

The contractor shall saw cut all pavement and seal the saw joint with asphalt joint seal in accordance with standard specifications.

All costs of saw joints and any new expansion joints shall be included in the cost for the new concrete pavement per linear foot complete in place.

19. Trench Backfill Under Pavement

Trench backfill for utilities located beneath pavements, driveways, curbs and gutters shall be compacted to 95% maximum density as determined by ASTM D698.

Job excavated material may be used for compacted trench backfill when the job excavated material is finely divided and free from debris, organic material, cinders or other corrosive material, and stones larger than three inches (3") in greatest dimension. Masses of moist, stiff clay shall not be used.

20. Valve Boxes

Valve boxes shall be furnished and set on each valve. After the final clean-up and alignment has been completed, the Contractor shall pour a concrete block 24" x 24" around all valve box tops so the finished grade is level with the finished parkway. No extra payment will be made for this concrete block but will be considered subsidiary to the item of each valve installed.

21. Valve Stems

Valve stems shall be furnished on all valves where the top of the operating nut is greater than four feet (4') below finished grade. The top of the valve stem shall be less than four feet (4') below finished grade. No extra payment will be made for valve stems but will be considered subsidiary to valves furnished and installed, and, adjustment of existing water valve riser and cover.

22. Bolts

Corten Steel or Stainless Steel bolts shall be furnished and installed for all flanged and/or mechanical joint fittings. The material supplier as well as the Contractor shall certify in writing that the materials supplied and installed do meet these requirements. This will be required before the final payment of this project.

23. Construction Water

Water required for water jetting, flooding, testing, sterilization and other construction purposes will be furnished by the Contractor. The Contractor shall furnish all pipe, hose and fittings necessary to obtain the water.

The Contractor shall not operate any valves or fire hydrants without the Owner's knowledge and permission.

All pipe used for any purpose other than water jetting and similar type uses shall be clean and sterilized.

Water required for retesting shall be paid for by the Contractor at a rate as may be established by the Owner.

24. Drainage Culverts

The contractor shall remove and reinstall drainage culverts, as necessary to complete the project. No extra payment will be made for these culverts and will be considered subsidiary to the cost of asphalt or gravel pavement/driveway replacement. All culverts shall be reinstalled to equal or better conditions, and shall match existing grades in order to ensure proper drainage. Where needed, the contractor shall replace the existing culvert with new pipe. All new drainage pipes shall match existing pipe in material and size.

25. Video Taping of Project

The contractor shall make a recording (CD/DVD format) of the limits of the project prior to any work commencing. This recording shall include, but is not limited to, vegetation, drainage structures/features, landscaping, pavement, signs, and above ground utilities. Once complete, the contractor shall provide the owner with two copies of the tape, and they shall become the property of the owner.

SGC-17.14 Existing Utilities and Service Lines

Add six new paragraphs immediately after paragraph 17.13 of the General Conditions which is to read as follows:

The CONTRACTOR shall be responsible for the protection of all existing utilities or service lines crossed or exposed by his construction operations. Where existing utilities or service lines are cut, broken, or damaged, the CONTRACTOR shall replace or repair the utilities or service lines with the same type of original material and construction, or better, at his own cost and expense.

CONTRACTOR shall maintain water and sewer service to existing customers. CONTRACTOR shall notify all residents and customers in writing at least 24 hours prior to any service outage. Unless emergency conditions warrant otherwise, serviced outages to be restricted to a maximum duration of three (3) hours scheduled within Regular Working Hours. CONTRACTOR may utilize temporary sewer service connections to new sewers as a means of providing continuous service. In such cases, CONTRACTOR shall provide all necessary labor, equipment, and incidentals for disconnecting/reconnecting services.

Tops of existing manholes to be abandoned will be adjusted where necessary to conform to a depth of 2.0 feet below existing grade. The abandoned manhole shall then be plugged at all pipe openings and filled with a select material approved by the Engineer.

Water and sewer service connections required to be replaced shall include connection to the proposed main as well as new service line from the main continuous to the connection to the existing private service at the property line, as well as all associated fittings and appurtenances. Sewer service pipe and fittings to be equal to the material grade and specification that is specified for the new main line.

SGC-17.15 Regular Working Hours

Add a new paragraph immediately after paragraph 17.14 of the General Conditions which is to read as follows:

17.15 Regular Work Hours

Except as otherwise require for the safety of protection of persons or the Work or property at the site or adjacent thereto, and except as otherwise indicated in the Contract Documents, all Work at the site shall be performed during regular working hours (7:00 a.m. – 5:00 p.m., Monday through Friday) and CONTRACTOR will not permit overtime work or the performance of Work on Saturday, Sunday or any legal holiday without OWNER's written consent given after prior written notice to ENGINEER.

Attachment I

A LISTING OF THE DUTIES, RESPONSIBILITIES AND LIMITATIONS OF AUTHORITY OF
THE RESIDENT PROJECT REPRESENTATIVE EMPLOYED BY THE OWNER

OWNER shall furnish a Resident Project Representative (RPR), assistants and other field staff to assist OWNER and ENGINEER in observing performance of the Work of the Contractor.

Through more extensive on-site observations of the Work in progress and field checks of materials and equipment by the RPR and assistants, ENGINEER shall endeavor to provide further protection for OWNER against defects and deficiencies in the Work; but, the furnishing of such services will not make ENGINEER responsible for or give ENGINEER control over construction means, methods, techniques, sequences or procedures or for safety precautions or programs, or responsibility for CONTRACTOR'S failure to perform the Work in accordance with the Contract Documents.

The duties and responsibilities of the RPR are limited to and described as follows:

A. General

RPR is OWNER'S agent at the site, will act as directed by and under the supervision of the OWNER, and will confer with OWNER regarding RPR'S actions. RPR'S dealings in matters pertaining to the on-site work shall in general be with OWNER, ENGINEER, and CONTRACTOR. RPR'S dealings with subcontractors shall only be through or with the full knowledge and approval of CONTRACTOR. RPR shall generally communicate with ENGINEER with the knowledge of and under the direction of OWNER.

B. Duties and Responsibilities

1. Schedules: Review the progress schedule, schedule of Shop Drawing submittals and schedule of values prepared by CONTRACTOR and consult with ENGINEER concerning acceptability.
2. Conferences and Meetings: Attend meetings with CONTRACTOR, such as pre-construction conferences, progress meetings, job conferences, and other project-related meetings, and prepare and circulate copies of minutes thereof.
3. Liaison:
 - a) Serves as OWNER'S liaison with CONTRACTOR, working principally through CONTRACTOR'S superintendent and assist in understanding the intent of the Contract Documents; and serve as OWNER'S liaison with ENGINEER when necessary.
 - b) Assist in obtaining from OWNER or ENGINEER additional details or information, when required for proper execution of the Work.
4. Shop Drawings and Samples:
 - a) Record date of receipt of Shop Drawings and samples.
 - b) Receive samples which are furnished at the site by CONTRACTOR, and notify ENGINEER of availability of samples for examination.
 - c) Advise ENGINEER and CONTRACTOR of the commencement of any work requiring a Shop Drawing or sample if the submittal has not been approved by ENGINEER.

5. Review of Work, Rejection of Defective Work, Inspections and Tests:
 - a) Conduct on-site observations of the Work in progress to assist ENGINEER in determining if the Work is in general proceeding in accordance with the Contract Documents.
 - b) Report to ENGINEER and OWNER whenever RPR believes that any Work is unsatisfactory, faulty or defective or does not conform to the Contract documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise ENGINEER of Work that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.
 - c) Verify that tests, equipment and systems startups and operating and maintenance training are conducted in the presence of appropriate personnel, and that CONTRACTOR maintains adequate records thereof; and observe, record, and report to ENGINEER and OWNER appropriate details relative to the test procedures and startups.
 - d) Accompany visitors representing public or other agencies having jurisdiction over the Project, record the results of these visits and report to ENGINEER and OWNER.
6. Interpretation of Contract Documents: Report to ENGINEER when clarifications and interpretations of the Contract Documents are needed and transmit to CONTRACTOR clarifications and interpretations as issued by ENGINEER.
7. Modifications: Consider and evaluate CONTRACTOR'S suggestions for modifications in Drawings or Specifications and report with RPR'S recommendations to ENGINEER. Transmit to CONTRACTOR decisions as issued by ENGINEER.
8. Records:
 - a) Maintain at the job site orderly files for correspondence, reports of job conferences, Shop Drawings and samples, reproductions of original Contract Documents including all Work Directive Changes, Addenda, Change Orders, Field Orders, additional Drawings issued subsequent to the execution of the Contract. ENGINEER'S clarifications and interpretations of the Contract Documents, progress reports, and other Project related documents.
 - b) Keep a diary or log book, recording CONTRACTOR hours on the job site, weather conditions, data relative to questions of Work Directive Changes, Change Orders, Field Orders, or changed conditions, list of job site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to ENGINEER.
 - c) Record names, addresses and telephone numbers of all CONTRACTORS, subcontractors and major suppliers of materials and equipment.
9. Reports:
 - a) Furnish ENGINEER periodic reports as required of progress of the Work and of CONTRACTOR'S compliance with the progress schedule and schedule of Shop Drawing and sample submittals.
 - b) Consult with ENGINEER and OWNER in advance of scheduled major tests, inspections, or start of important phases of the Work.
 - c) Draft proposed Change Orders and Work Directive Changes, obtaining backup material from CONTRACTOR and recommend to ENGINEER Change Orders, Work Directive Changes, and Field Orders.
 - d) Report immediately to ENGINEER and OWNER upon the occurrence of any accident.
10. Payment Requests: Review applications for payment with CONTRACTOR for compliance with the established procedure for their submission and forward with recommendations to ENGINEER, noting

particularly the relationship of the payment requested to the schedule of values, Work completed and materials and equipment delivered at the site but not incorporated in the Work.

11. Certificates, Maintenance and Operation Manuals: During the course of the Work, verify that certificates, maintenance and operation manuals and other data required to be assembled and furnished by CONTRACTOR are applicable to the items actually installed and in accordance with the Contract Documents, and have this material delivered to ENGINEER for review and forwarding to OWNER prior to final payment for the Work.
12. Completion:
 - a) Before ENGINEER issues a Certificate of Substantial Completion, submit to CONTRACTOR a list of observed items requiring completion or correction.
 - b) Conduct final inspection in the company of ENGINEER, OWNER, and CONTRACTOR and prepare a final list of items to be completed or corrected.
 - c) Observe that all items on final list have been completed or corrected and make recommendations to ENGINEER concerning acceptance

C. Limitations of Authority

Resident Project Representative:

1. Shall not authorize any deviation from the Contract Documents or substitution of materials or equipment, unless authorized by ENGINEER or OWNER.
2. Shall not undertake any of the responsibilities of CONTRACTOR, subcontractors or CONTRACTOR'S superintendent.
3. Shall not advise on, issue directions relative to or assume control over any aspect of the means, methods, techniques, sequences or procedures of construction unless such advise or directions are specifically required by the Contract Documents.
4. Shall not assume control over safety precautions and programs in connection with the Work, however, if an unsafe act is observed, he may casually relate such act to the CONTRACTOR.
5. Shall not accept Shop Drawing or sample submittals from anyone other than Contractor.
6. Shall not have authority to issue Final Acceptance the Project in whole or in part.
7. Shall not participate in specialized field or laboratory tests or inspections conducted by others except as specifically authorized by ENGINEER or OWNER.

SECTION 01100

SUMMARY

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Special Conditions and other Division 1 Specification Sections, apply to this Section.

1.2 WORK COVERED BY CONTRACT DOCUMENTS

- A. Project Identification: Project consists of the **2018 STREET IMPROVEMENTS**.
 - 1. Project Location: CITY OF CELINA, TEXAS, 75009
 - 2. Owner: CITY OF CELINA, TX.
- B. Engineer Identification: The Contract Documents, dated **JULY 13, 2018**, were prepared for the Project by **GARVER LLC, 3010 GAYLOR PKWY, SUITE 190, FRISCO, TX 75034**.
- C. The Work includes, but is not limited to:

- 1. **PULVERIZE EXISTING ASPHALT & 6" BASE.**
- 2. **CEMENT MODIFY 6" ASPHALT & BASE MIXTURE.**
- 3. **OVERLAY 2" TY D ASPHALT.**
- 4. **IMPROVE ROADWAY CORWN & DITCH GRADING ON PHEASANT RUN AS INDICATED IN PLANS.**
- 5. **ADD ALT (CR 97 ONLY): DOUBLE CHIP SEAL IN LIEU OF 2" TY D ASPHALT OVERLAY.**

1.3 CONTRACTS

- A. Project will be constructed under one single contract.

1.4 WORK SEQUENCE (Not Used)

1.5 USE OF PREMISES

- A. General: The Contractor shall have such use of the plant site property as designated by the Owner. The Contractor's use of premises is limited only by Owner's right to perform work or to retain other contractors on portions of Project.

1.6 WORK UNDER OTHER CONTRACTS (Not Used)

1.7 FUTURE WORK (Not Used)

1.8 PRODUCTS ORDERED IN ADVANCE (Not Used)

1.9 OWNER-FURNISHED PRODUCTS (Not Used)

1.10 SPECIFICATION FORMATS AND CONVENTIONS

A. Specification Format: The Specifications are organized into Divisions and Sections using the 16-division format and CSI/CSC's "MasterFormat" numbering system.

1. Section Identification: The Specifications use section numbers and titles to help cross-referencing in the Contract Documents. Sections in the Project Manual are in numeric sequence; however, the sequence is incomplete. Consult the table of contents at the beginning of the Project Manual to determine numbers and names of sections in the Contract Documents.

B. Specification Content: The Specifications use certain conventions for the style of language and the intended meaning of certain terms, words, and phrases when used in particular situations. These conventions are as follows:

1. Abbreviated Language: Language used in the Specifications and other Contract Documents is abbreviated. Words and meanings shall be interpreted as appropriate. Words implied, but not stated, shall be inferred as the sense requires. Singular words shall be interpreted as plural, and plural words shall be interpreted as singular where applicable as the context of the Contract Documents indicates.
2. Imperative mood and streamlined language are generally used in the Specifications. Requirements expressed in the imperative mood are to be performed by Contractor. Occasionally, the indicative or subjunctive mood may be used in the Section Text for clarity to describe responsibilities that must be fulfilled indirectly by Contractor or by others when so noted.

1.11 MISCELLANEOUS PROVISIONS (Not Used)

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION

SECTION 01300

DOCUMENTATION REQUIREMENTS

PART 1 - GENERAL

1.1 SUBMITTALS

A. Shop Drawings

1. The Contractor shall submit to the Engineer four (4) copies of all shop drawings, erection drawings, schedules, certified dimension prints, schematic or system diagrams, data sheets, catalog cuts, bulletins, and other descriptive material as is customary or as may be specifically required by the Engineer prior to purchase, fabrication, or shipment to the Project site. Three (3) copies will be retained for use by the Engineer and Owner and one (1) copy will be returned to the Contractor with comments noted.
2. Items requiring a formal submittal as specified above may be noted on PLANS or within individual specification sections, and will generally include but will not necessarily be limited to the following:
 - a. Stormwater Pollution Prevention Plan (SWPPP), Trench Safety System, fencing materials, precast manholes and related castings.
 - b. Concrete mix designs, steel reinforcement details, construction joint locations and types.
 - c. Structural steel, handrails, gratings, miscellaneous fabrication, pipe supports, and all other metal specialties, (submit shop fabrication drawings);
 - d. Architectural features and finishes, including doors, windows, hardware, cabinetry, floor and ceiling materials, and furniture.
 - e. Paint and protective coating systems;
 - f. Piping, valves, gates, and fittings;
 - g. Pumps, compressors, and blowers.
 - h. All Division 8, 9, 10, 11, 13, 14, 15, and 16 specified equipment;
 - i. Electrical equipment and instrumentation;
 - j. Any other items for which the Contractor wishes confirmation from the Engineer as to the appropriateness of application and suitability for incorporation into the project.

B. Format

1. The drawings and data shall have been reviewed and approved by the Contractor prior to submittal and each bound submittal shall bear the Contractor's approval stamp and signature. Submittal data shall be in such form and so presented that the Engineer may readily review the data. This means that submittals should be bound in an 8-1/2 by 11 format. Engineering drawings are to be reduced to an 11 by 17 format, folded and bound with the submittal. Bound submittals shall be for individual specification sections and shall be complete by section. Submittals for steel reinforcing and fabrication drawings may be full size blue prints.

C. Qualifications

1. The Contractor is directed to specific specification sections where specific requirements for submittals may be described in more detail. The drawings, or other required descriptive material, will be examined by the Engineer with reasonable promptness. All rejected material shall be revised and resubmitted until the designation "No Exceptions Noted" is obtained. Each submittal shall be accompanied by a letter of qualification stating that the proposed equipment meets the specifications; or, clearly itemizes and explains any proposed exceptions. Delays caused by such rejections will not be considered cause for extension of the contract time. Review by Engineer indicates general compliance or acceptability; however, it does not relieve the Contractor of final responsibility for proper dimensions, character, quantity, quality, strength or sufficiency of the items involved. Waivers, or exceptions, to the Plans and Specifications may be validated only in writing by the Engineer. Written validation will specifically identify the feature in question and no such waiver or exception shall be assumed as a result of omissions or oversights in reviewing the above drawings or other materials.
2. Any equipment installed by the Contractor, not formally reviewed by the Engineer, shall be at the Contractor's risk if it is found that the installed equipment does not conform to the specifications.

D. Minimum Requirements

1. Certified Dimension Prints
2. Specifications
3. Wiring Diagrams
4. Calculations
5. Recommended Procedures for job-site storage.
6. Additional information as required by technical specification sections.

1.2 MANUFACTURER'S CERTIFICATION:

A. Technical Representative

1. For all Division 8, 9, 10, 11, 13, 14, 15, and 16 specified equipment, the manufacturer, or supplier, shall furnish the services of trained technical representatives as needed to provide for a satisfactorily operating system. Services to be included are as follows:
 - a. Prior to equipment delivery, the manufacturer shall furnish jointly to the Engineer and Contractor a minimum of (3) three sets of complete installation manuals which shall include erection drawings, mark numbers, as built drawings of electrical equipment, assembly details, parts lists, bills of materials, and detailed written instructions for the installation, start-up and initial lubrication and maintenance of the equipment furnished.
 - b. Unless otherwise specified, not less than one (1) trip and one day on the job for inspection and supervision during installation. The Contractor shall install all equipment in exact accordance with the manufacturer's written instructions and as directed on the jobsite during inspection visits by the manufacturer's technical representative.

- c. Deviations from the manufacturer's written or verbal instructions shall be subject to approval by the Engineer and discrepancies or unsatisfactory work shall be reported in writing by the manufacturer jointly to the Engineer and Contractor.
- d. Unless otherwise specified, not less than one (1) trip and one day on the job for inspection of the final installation and a detailed check of the completed work prior to start-up.

B. Certification

- 1. Within ten (10) days after the final inspection of the completed installation, the manufacturer's representative shall furnish a detailed letter report jointly to the Engineer and Contractor which shall list any deficiencies found in the work and which shall recommend corrective action for each deficiency.
- 2. Upon completion of any corrective action required, the manufacturer shall furnish a letter jointly to the Engineer and Contractor certifying that the equipment furnished is properly installed in exact accordance with the manufacturer's recommendations and ready for the operation and beneficial use by the Owner.

1.3 OPERATION AND MAINTENANCE MANUALS

A. Operation and Maintenance Manuals

- 1. The Contractor shall provide six (6) final copies of all required operation and maintenance instructions and manuals for individual equipment items. This information shall be completely up-to-date and reflect actual field installed equipment.

B. Format

- 1. The O&M information shall be furnished in bound sets and described for Submittals.

C. Minimum Requirements

- 1. Name, address and phone number of nearest competent service organization who can supply parts and service. If this is not the manufacturer's own service department, then furnish letters confirming that the named organization has been factory authorized to represent the manufacturer of the equipment furnished.
- 2. Complete descriptive literature and drawings of all material furnished. This is to include up-to-date wiring diagrams of all electrical equipment and erection drawings providing up-to-date information on the actual construction of the equipment furnished and any field modifications made during installation, start-up and testing.
- 3. Installation, operation and maintenance brochures from the original manufacturers of all mechanical components such as gear reducers, drive couplings, etc., incorporated into the completed installation.
- 4. Complete Electrical Motor Information (name plate data).
- 5. Recommended spare parts list.
- 6. Guide to "trouble-shooting".
- 7. All required assembly, installation, alignment, adjustment and checking instructions.
- 8. All required operating instructions.

9. All required maintenance instructions including schedules of all required routine maintenance and lubrication checks.

D. Payment

1. The Owner and Engineer reserve the right to withhold final payment until acceptable O&M information is received for all equipment specified.

END OF SECTION

SECTION 01310
PROGRESS SCHEDULES/MEETINGS

PART 1 - GENERAL

1.1 SCOPE

- A. During construction, the Contractor will be required to submit weekly progress reports to the Owner and attend weekly construction meetings at City Hall.

1.2 NARRATIVE PROGRESS REPORT

- A. The Contractor shall prepare and submit to the Owner a written report, on a weekly basis, to include, as a minimum:
1. Summary of Work completed during the past period between Narrative Progress Reports.
 2. Work planned during the next period.
 3. Explanation of differences between summary of Work completed and Work planned in previously submitted Narrative Progress Report.
 4. Current and anticipated delaying factors and their estimated impact on other activities and completion Milestones.
 5. Corrective action taken or proposed.
 6. The report format shall be submitted by the Contractor and approved by the Owner and Engineer.
 7. The report shall be submitted to the Owner at the Weekly Progress Meetings.

1.3 WEEKLY PROGRESS MEETINGS

- A. Weekly Progress Meetings shall be attended by the Contractor.
1. The Contractor's on-site superintendent must attend all progress meetings, unless otherwise approved by the Owner.
 2. The day of the week and time of the meeting shall be as determined by the Owner with input from the Contractor.
 3. The meetings will last a maximum of one hour.

END OF SECTION

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

SECTION 01330

SUBMITTAL PROCEDURES

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 1 Specification Sections, apply to this Section.

1.2 SUMMARY

- A. This Section includes administrative and procedural requirements for submitting Shop Drawings, Product Data, Samples, and other miscellaneous submittals.
- B. Related Sections include the following:
 - 1. Division 1 Section "Closeout Procedures" for submitting warranties, project record documents, and operation and maintenance manuals.
 - 2. Division 1 Section "Operation and Maintenance Data" for operation and maintenance manual requirements.

1.3 DEFINITIONS

- A. Action Submittals: Written and graphic information that requires Engineer's responsive action.
- B. Informational Submittals: Written information that does not require Engineer's approval. Submittals may be rejected for not complying with requirements.

1.4 SUBMITTAL PROCEDURES

- A. General: Electronic copies of CAD Drawings of the Contract Drawings will not be provided by Engineer for Contractor's use in preparing submittals.
- B. Coordination: Coordinate preparation and processing of submittals with performance of construction activities.
 - 1. Coordinate each submittal with fabrication, purchasing, testing, delivery, other submittals, and related activities that require sequential activity.
 - 2. Coordinate transmittal of different types of submittals for related parts of the Work so processing will not be delayed because of need to review submittals concurrently for coordination.
 - a. Engineer reserves the right to withhold action on a submittal requiring coordination with other submittals until related submittals are received.
- C. Deviations: Highlight, encircle, or otherwise identify deviations from the Contract Documents on submittals.

- D. Transmittal: Package each submittal individually and appropriately for transmittal and handling. Transmit each submittal using a transmittal form.
1. On an attached separate sheet, prepared on Contractor's letterhead, record relevant information, requests for data, revisions other than those requested by Engineer on previous submittals, and deviations from requirements of the Contract Documents, including minor variations and limitations.
 2. Include Contractor's certification stating that information submitted complies with requirements of the Contract Documents.
 3. Transmittal Form: Provide locations on form for the following information:
 - a. Project name.
 - b. Date.
 - c. Destination (To:).
 - d. Source (From:).
 - e. Names of subcontractor, manufacturer, and supplier.
 - f. Category and type of submittal.
 - g. Submittal purpose and description.
 - h. Submittal and transmittal distribution record.
 - i. Remarks.
 - j. Signature of transmitter.
- E. Distribution: Furnish copies of final submittals to manufacturers, subcontractors, suppliers, fabricators, installers, authorities having jurisdiction, and others as necessary for performance of construction activities.
- F. Use for Construction: Use only final submittals with mark indicating action taken by Engineer in connection with construction.

PART 2 - PRODUCTS

2.1 ACTION SUBMITTALS

- A. General: Prepare and submit Action Submittals required by individual Specification Sections.
1. Number of Copies: Submit six (6) copies of each submittal, unless otherwise indicated. Engineer will return three (3) copies.
- B. Product Data: Collect information into a single submittal for each element of construction and type of product or equipment.
1. If information must be specially prepared for submittal because standard printed data are not suitable for use, submit as Shop Drawings, not as Product Data.
 2. Mark each copy of each submittal to show which products and options are applicable.
 3. Include the following information, as applicable:
 - a. Manufacturer's written recommendations.
 - b. Manufacturer's product specifications.
 - c. Manufacturer's installation instructions.
 - d. Standard color charts.
 - e. Manufacturer's catalog cuts.
 - f. Wiring diagrams showing factory-installed wiring.

- g. Printed performance curves.
 - h. Operational range diagrams.
 - i. Mill reports.
 - j. Standard product operating and maintenance manuals.
 - k. Compliance with recognized trade association standards.
 - l. Compliance with recognized testing agency standards.
 - m. Application of testing agency labels and seals.
 - n. Notation of coordination requirements.
- C. Shop Drawings: Prepare Project-specific information, drawn accurately to scale. Do not base Shop Drawings on reproductions of the Contract Documents or standard printed data.
- 1. Preparation: Include the following information, as applicable:
 - a. Dimensions.
 - b. Identification of products.
 - c. Fabrication and installation drawings.
 - d. Roughing-in and setting diagrams.
 - e. Wiring diagrams showing field-installed wiring, including power, signal, and control wiring.
 - f. Shopwork manufacturing instructions.
 - g. Templates and patterns.
 - h. Schedules.
 - i. Design calculations.
 - j. Compliance with specified standards.
 - k. Notation of coordination requirements.
 - l. Notation of dimensions established by field measurement.
 - 2. Wiring Diagrams: Differentiate between manufacturer-installed and field-installed wiring.
 - 3. Sheet Size: Except for templates, patterns, and similar full-size drawings, submit Shop Drawings on sheets at least 8-1/2 by 11 inches but no larger than 30 by 40 inches.
- D. Subcontract List: Prepare a written summary identifying individuals or firms proposed for each portion of the Work, including those who are to furnish products or equipment fabricated to a special design. Include the following information in tabular form:
- 1. Name, address, and telephone number of entity performing subcontract or supplying products.
 - 2. Number and title of related Specification Section(s) covered by subcontract.
 - 3. Drawing number and detail references, as appropriate, covered by subcontract.

2.2 INFORMATIONAL SUBMITTALS

- A. General: Prepare and submit Informational Submittals required by other Specification Sections.
- 1. Number of Copies: Submit six (6) copies of each submittal, unless otherwise indicated. Engineer will not return copies.
 - 2. Certificates and Certifications: Provide a notarized statement that includes signature of entity responsible for preparing certification. Certificates and certifications shall be signed by an officer or other individual authorized to sign documents on behalf of that entity.

- B. Qualification Data: Prepare written information that demonstrates capabilities and experience of firm or person. Include lists of completed projects with project names and addresses, names and addresses of Engineers and owners, and other information specified.
- C. Product Certificates: Prepare written statements on manufacturer's letterhead certifying that product complies with requirements.
- D. Welding Certificates: Prepare written certification that welding procedures and personnel comply with requirements. Submit record of Welding Procedure Specification (WPS) and Procedure Qualification Record (PQR) on AWS forms. Include names of firms and personnel certified.
- E. Installer Certificates: Prepare written statements on manufacturer's letterhead certifying that Installer complies with requirements and, where required, is authorized for this specific Project.
- F. Manufacturer Certificates: Prepare written statements on manufacturer's letterhead certifying that manufacturer complies with requirements. Include evidence of manufacturing experience where required.
- G. Material Certificates: Prepare written statements on manufacturer's letterhead certifying that material complies with requirements.
- H. Material Test Reports: Prepare reports written by a qualified testing agency, on testing agency's standard form, indicating and interpreting test results of material for compliance with requirements.
- I. Preconstruction Test Reports: Prepare reports written by a qualified testing agency, on testing agency's standard form, indicating and interpreting results of tests performed before installation of product, for compliance with performance requirements.
- J. Compatibility Test Reports: Prepare reports written by a qualified testing agency, on testing agency's standard form, indicating and interpreting results of compatibility tests performed before installation of product. Include written recommendations for primers and substrate preparation needed for adhesion.
- K. Field Test Reports: Prepare reports written by a qualified testing agency, on testing agency's standard form, indicating and interpreting results of field tests performed either during installation of product or after product is installed in its final location, for compliance with requirements.
- L. Product Test Reports: Prepare written reports indicating current product produced by manufacturer complies with requirements. Base reports on evaluation of tests performed by manufacturer and witnessed by a qualified testing agency, or on comprehensive tests performed by a qualified testing agency.
- M. Research/Evaluation Reports: Prepare written evidence, from a model code organization acceptable to authorities having jurisdiction, that product complies with building code in effect for Project. Include the following information:
 - 1. Name of evaluation organization.
 - 2. Date of evaluation.
 - 3. Time period when report is in effect.

4. Product and manufacturers' names.
 5. Description of product.
 6. Test procedures and results.
 7. Limitations of use.
- N. Maintenance Data: Prepare written and graphic instructions and procedures for operation and normal maintenance of products and equipment. Comply with requirements in Division 1 Section "Operation and Maintenance Data."
- O. Design Data: Prepare written and graphic information, including, but not limited to, performance and design criteria, list of applicable codes and regulations, and calculations. Include list of assumptions and other performance and design criteria and a summary of loads. Include load diagrams if applicable. Provide name and version of software, if any, used for calculations. Include page numbers.
- P. Manufacturer's Instructions: Prepare written or published information that documents manufacturer's recommendations, guidelines, and procedures for installing or operating a product or equipment. Include name of product and name, address, and telephone number of manufacturer. Include the following, as applicable:
1. Preparation of substrates.
 2. Required substrate tolerances.
 3. Sequence of installation or erection.
 4. Required installation tolerances.
 5. Required adjustments.
 6. Recommendations for cleaning and protection.
- Q. Manufacturer's Field Reports: Prepare written information documenting factory-authorized service representative's tests and inspections. Include the following, as applicable:
1. Name, address, and telephone number of factory-authorized service representative making report.
 2. Statement on condition of substrates and their acceptability for installation of product.
 3. Statement that products at Project site comply with requirements.
 4. Summary of installation procedures being followed, whether they comply with requirements and, if not, what corrective action was taken.
 5. Results of operational and other tests and a statement of whether observed performance complies with requirements.
 6. Statement whether conditions, products, and installation will affect warranty.
 7. Other required items indicated in individual Specification Sections.
- R. Insurance Certificates and Bonds: Prepare written information indicating current status of insurance or bonding coverage. Include name of entity covered by insurance or bond, limits of coverage, amounts of deductibles, if any, and term of the coverage.
- S. Material Safety Data Sheets: Submit information directly to Owner.

PART 3 - EXECUTION

3.1 CONTRACTOR'S REVIEW

- A. Review each submittal and check for compliance with the Contract Documents. Note corrections and field dimensions. Mark with approval stamp before submitting to Engineer.
- B. Approval Stamp: Stamp each submittal with a uniform, approval stamp. Include Project name and location, submittal number, Specification Section title and number, name of reviewer, date of Contractor's approval, and statement certifying that submittal has been reviewed, checked, and approved for compliance with the Contract Documents.

3.2 ENGINEER'S ACTION

- A. General: Engineer will not review submittals that do not bear Contractor's approval stamp and will return them without action.
- B. Action Submittals: Engineer will review each submittal, make marks to indicate corrections or modifications required, and return it. Engineer will stamp each submittal with an action stamp and will mark stamp appropriately to indicate action taken.
- C. Informational Submittals: Engineer will review each submittal and will return it, or will reject and return it if it does not comply with requirements. Engineer will forward each submittal to appropriate party.

END OF SECTION

SECTION 01400
QUALITY CONTROL

PART 1 - GENERAL

1.1 DESCRIPTION

- A. Specific quality control requirements for the Work are indicated throughout the Contract Documents. Quality control provisions for manufactured products are specified in individual work sections.

1.2 CODES AND STANDARDS

- A. Perform testing to meet the requirements of pertinent codes and regulations and with selected standards as specified elsewhere on the Specification.

1.3 TEST REPORTS

- A. Process and distribute test reports and related instructions promptly to ensure necessary retesting and replacement of materials with the least possible delay in the Work.

1.4 PAYMENT FOR LABORATORY TESTING SERVICES

- A. The Owner will pay for all tests, which it orders, which are in compliance with specifications.
- B. Tests indicating non-compliance with the Contract Documents shall be paid for by the Contractor.
- C. Inspection or testing performed exclusively for the Contractor's convenience shall be borne by the Contractor.
- D. No separate payment will be made under this paragraph for testing required for batch design for concrete.

1.5 EQUIPMENT TESTING

- A. Upon completion of the Work and prior to final acceptance and payment, test equipment as specified or required for compliance with Contract Documents. Manufacturer's authorized representative(s) shall be present at site to inspect, check and approve equipment and installation prior to start-up and test; and to supervise testing of equipment.
- B. Adjust or replace equipment which does not meet requirements of Contract Documents during test at no extra cost to Owner.
- C. Include costs of equipment testing in the price of equipment to be installed when applicable.

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

1.6 MATERIAL TESTING

- A. Representatives of the testing laboratory shall have access to the Work at all times. Provide facilities for access in order that laboratory may perform its functions properly.
- B. Testing Schedules
 - 1. Consult testing laboratory in advance to determine time required to perform tests and issue each of the findings. Include required time within construction schedule.
 - 2. When changes of the construction schedule are necessary, coordinate such changes with the testing laboratory as required.
- C. All samples for testing, unless otherwise provided elsewhere in these Specifications, shall be taken by the testing laboratory. All sampling equipment and personnel shall be provided by the testing laboratory unless otherwise specified. All deliveries of samples to the testing laboratory shall be performed by the testing laboratory unless otherwise specified.

END OF SECTION

SECTION 01500
TEMPORARY FACILITIES AND CONTROLS

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 1 Specification Sections, apply to this Section.

1.2 SUMMARY

- A. This Section includes requirements for temporary facilities and controls, including temporary utilities, support facilities, and security and protection facilities.
- B. Temporary utilities include, but are not limited to, the following:
 - 1. Sewers and drainage.
 - 2. Water service and distribution.
 - 3. Sanitary facilities, including toilets, wash facilities, and drinking-water facilities.
 - 4. Heating and cooling facilities.
 - 5. Ventilation.
 - 6. Electric power service.
 - 7. Lighting.
 - 8. Telephone service.
- C. Support facilities include, but are not limited to, the following:
 - 1. Temporary roads and paving.
 - 2. Dewatering facilities and drains.
 - 3. Project identification and temporary signs.
 - 4. Waste disposal facilities.
 - 5. Field offices.
 - 6. Storage and fabrication sheds.
 - 7. Temporary stairs.
 - 8. Construction aids and miscellaneous services and facilities.
- D. Security and protection facilities include, but are not limited to, the following:
 - 1. Environmental protection.
 - 2. Stormwater control.
 - 3. Tree and plant protection.
 - 4. Site enclosure fence.
 - 5. Security enclosure and lockup.
 - 6. Barricades, warning signs, and lights.
 - 7. Fire protection.

E. Related Sections include the following:

1. Division 0 Section "Special Conditions" for procedures for submitting copies of implementation and termination schedule and utility reports.
2. Division 2 Section "Access Roadway Construction" for construction and maintenance of cement concrete pavement for temporary roads and paved areas.

1.3 DEFINITIONS (Not Used)

1.4 USE CHARGES

A. General: Cost or use charges for temporary facilities are not chargeable to Owner or Engineer and shall be included in the Contract Sum. Allow other entities to use temporary services and facilities without cost, including, but not limited to, the following:

1. Owner's construction forces.
2. Occupants of Project.
3. Engineer.
4. Testing agencies.
5. Personnel of authorities having jurisdiction.

1.5 SUBMITTALS (Not Used)

1.6 QUALITY ASSURANCE

A. Standards: Comply with ANSI A10.6, NECA's "Temporary Electrical Facilities," and NFPA 241.

1. Trade Jurisdictions: Assigned responsibilities for installation and operation of temporary utilities are not intended to interfere with trade regulations and union jurisdictions.
2. Electric Service: Comply with NECA, NEMA, and UL standards and regulations for temporary electric service. Install service to comply with NFPA 70.

B. Tests and Inspections: Arrange for authorities having jurisdiction to test and inspect each temporary utility before use. Obtain required certifications and permits.

1.7 PROJECT CONDITIONS

A. Temporary Utilities: At earliest feasible time, when acceptable to Owner, change over from use of temporary service to use of permanent service.

1. Temporary Use of Permanent Facilities: Installer of each permanent service shall assume responsibility for operation, maintenance, and protection of each permanent service during its use as a construction facility before Owner's acceptance, regardless of previously assigned responsibilities.

- B. Conditions of Use: The following conditions apply to use of temporary services and facilities by all parties engaged in the Work:
1. Keep temporary services and facilities clean and neat.
 2. Relocate temporary services and facilities as required by progress of the Work.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION

3.1 INSTALLATION, GENERAL

- A. Locate facilities where they will serve Project adequately and result in minimum interference with performance of the Work. Relocate and modify facilities as required.
- B. Provide each facility ready for use when needed to avoid delay. Maintain and modify as required. Do not remove until facilities are no longer needed or are replaced by authorized use of completed permanent facilities.

3.2 TEMPORARY UTILITY INSTALLATION

- A. General: Engage appropriate local utility company to install temporary service or connect to existing service. Where utility company provides only part of the service, provide the remainder with matching, compatible materials and equipment. Comply with utility company recommendations.
 1. Arrange with utility company, Owner, and existing users for time when service can be interrupted, if necessary, to make connections for temporary services.
 2. Provide adequate capacity at each stage of construction. Before temporary utility is available, provide trucked-in services.
 3. Obtain easements to bring temporary utilities to Project site where Owner's easements cannot be used for that purpose.
 4. Sewers and Drainage: If sewers are available, provide temporary connections to be removed by the Contractor at project completion.
- B. Sanitary Facilities: Provide temporary toilets, wash facilities, and drinking-water fixtures. Comply with regulations and health codes for type, number, location, operation, and maintenance of fixtures and facilities.
 1. Disposable Supplies: Provide toilet tissue, paper towels, paper cups, and similar disposable materials for each facility. Maintain adequate supply. Provide covered waste containers for disposal of used material.
 2. Toilets: Install self-contained toilet units.
- C. Electric Distribution: Provide receptacle outlets adequate for connection of power tools and equipment.
 1. Provide waterproof connectors to connect separate lengths of electrical power cords if single lengths will not reach areas where construction activities are in progress. Do not exceed safe length-voltage ratio.

- D. Lighting: Provide temporary lighting with local switching that provides adequate illumination for construction operations and traffic conditions.
 - 1. Install and operate temporary lighting that fulfills security and protection requirements without operating entire system.
- E. Telephone Service: Provide temporary telephone service throughout construction period for common-use facilities used by all personnel engaged in construction activities. Install separate telephone line for the field office.

3.3 SUPPORT FACILITIES INSTALLATION

- A. General: Comply with the following:
 - 1. Locate field offices, storage sheds, sanitary facilities, and other temporary construction and support facilities for easy access.
 - 2. Maintain support facilities until near Substantial Completion. Remove before Substantial Completion. Personnel remaining after Substantial Completion will be permitted to use permanent facilities, under conditions acceptable to Owner.
- B. Temporary Roads and Paved Areas: Construct and maintain temporary roads and paved areas adequate to support loads and to withstand exposure to traffic during construction period. Locate temporary roads and paved areas within construction limits indicated on Drawings.
 - 1. Provide a reasonably level, graded, well-drained subgrade of satisfactory soil material, compacted to not less than 95 percent of maximum dry density in the top 6 inches.
- C. Dewatering Facilities and Drains: Comply with requirements in applicable Division 2 Sections for temporary drainage and dewatering facilities and operations not directly associated with construction activities included in individual Sections. Where feasible, use same facilities. Maintain Project site, excavations, and construction free of water.
 - 1. Dispose of rainwater in a lawful manner that will not result in flooding Project or adjoining property nor endanger permanent Work or temporary facilities.
 - 2. Before connection and operation of permanent drainage piping system, provide temporary drainage where roofing or similar waterproof deck construction is completed.
- D. Waste Disposal Facilities: Provide waste-collection containers in sizes adequate to handle waste from construction operations. Containerize and clearly label hazardous, dangerous, or unsanitary waste materials separately from other waste.
- E. Temporary Stairs: Until permanent stairs are available, provide temporary stairs where ladders are not adequate. Cover finished, permanent stairs with protective covering of plywood or similar material so finishes will be undamaged at time of acceptance.
- F. Existing Stair Usage: Use of Owner's existing stairs will be permitted, as long as stairs are cleaned and maintained in a condition acceptable to Owner. At Substantial Completion, restore stairs to condition existing before initial use.
 - 1. Provide protective coverings, barriers, devices, signs, or other procedures to protect stairs and to maintain means of egress. If, despite such protection, stairs become damaged, restore damaged areas so no evidence remains of correction work.

3.4 SECURITY AND PROTECTION FACILITIES INSTALLATION

- A. Environmental Protection: Provide protection, operate temporary facilities, and conduct construction in ways and by methods that comply with environmental regulations and that minimize possible air, waterway, and subsoil contamination or pollution or other undesirable effects. Avoid using tools and equipment that produce harmful noise. Restrict use of noisemaking tools and equipment to hours that will minimize complaints from persons or firms near Project site.
- B. Stormwater Control: Provide earthen embankments and similar barriers in and around excavations and subgrade construction, sufficient to prevent flooding by runoff of stormwater from heavy rains.
- C. Tree and Plant Protection: Install temporary fencing located as indicated or outside the drip line of trees to protect vegetation from construction damage. Protect tree root systems from damage, flooding, and erosion.
- D. Security Enclosure and Lockup: Install substantial temporary enclosure around partially completed areas of construction. Provide lockable entrances to prevent unauthorized entrance, vandalism, theft, and similar violations of security.
- E. Barricades, Warning Signs, and Lights: Comply with standards and code requirements for erecting structurally adequate barricades. Paint with appropriate colors, graphics, and warning signs to inform personnel and public of possible hazard. Where appropriate and needed, provide lighting, including flashing red or amber lights.
- F. Temporary Fire Protection: Until fire-protection needs are supplied by permanent facilities, install and maintain temporary fire-protection facilities of types needed to protect against reasonably predictable and controllable fire losses. Comply with NFPA 241.
 - 1. Provide fire extinguishers, installed on walls on mounting brackets, visible and accessible from space being served, with sign mounted above.
 - a. Field Offices: Class A stored-pressure water-type extinguishers.
 - 2. Store combustible materials in containers in fire-safe locations.
 - 3. Maintain unobstructed access to fire extinguishers, fire hydrants, temporary fire-protection facilities, stairways, and other access routes for firefighting. Prohibit smoking in hazardous fire-exposure areas.
 - 4. Supervise welding operations, combustion-type temporary heating units, and similar sources of fire ignition.

3.5 OPERATION, TERMINATION, AND REMOVAL

- A. Supervision: Enforce strict discipline in use of temporary facilities. To minimize waste and abuse, limit availability of temporary facilities to essential and intended uses.
- B. Maintenance: Maintain facilities in good operating condition until removal. Protect from damage caused by freezing temperatures and similar elements.
 - 1. Maintain operation of temporary enclosures, heating, cooling, humidity control, ventilation, and similar facilities on a 24-hour basis where required to achieve indicated results and to avoid possibility of damage.
 - 2. Prevent water-filled piping from freezing. Maintain markers for underground lines. Protect from damage during excavation operations.

- C. Termination and Removal: Remove each temporary facility when need for its service has ended, when it has been replaced by authorized use of a permanent facility, or no later than Substantial Completion. Complete or, if necessary, restore permanent construction that may have been delayed because of interference with temporary facility. Repair damaged Work, clean exposed surfaces, and replace construction that cannot be satisfactorily repaired.
1. Materials and facilities that constitute temporary facilities are the property of Contractor.
 2. Remove temporary paving not intended for or acceptable for integration into permanent paving. Where area is intended for landscape development, remove soil and aggregate fill that do not comply with requirements for fill or subsoil. Remove materials contaminated with road oil, asphalt and other petrochemical compounds, and other substances that might impair growth of plant materials or lawns. Repair or replace street paving, curbs, and sidewalks at temporary entrances, as required by authorities having jurisdiction.
 3. At Substantial Completion, clean and renovate permanent facilities used during construction period. Comply with final cleaning requirements in Division 1 Section "Closeout Procedures."

END OF SECTION

SECTION 01600

MATERIALS AND EQUIPMENT

PART 1 - GENERAL

1.1 DESCRIPTION

- A. All materials, appliances and types of construction shall be in accordance with the Specifications and shall, further, conform to the requirements of applicable laws, ordinances and codes.
- B. All materials and equipment shall be new, unused and designed as specified. They shall be of standard first-grade quality, produced by expert workmen, and be intended for the use for which they are offered. Materials or equipment which are inferior or of a lower grade than indicated, specified or required will not be accepted.
- C. The quality of workmanship and materials entering into the Work under each Section shall conform to the requirements of pertinent sections, clauses, paragraphs and sentences, both directly and indirectly applicable thereto, of the Specifications.
- D. Equipment and appurtenances shall be designed in conformity with AWWA, NSF, ASME, AIEE, and NEMA standards and shall be of rugged construction and of sufficient strength to withstand all stresses, which may occur during fabrication, test, transportation, installation and all conditions of operation. Protect bearings and moving parts against wear by bushings or other approved means and fully lubricate by readily accessible devices. Design details for appearance as well as utility. Protruding members, joints, corners, gear covers and the like shall be finished in appearance. Grind exposed welds smooth. Miter corners of structural shapes.

1.2 MANUFACTURER

- A. Submit names of proposed manufacturers, material men and dealers who are to furnish materials, fixtures, equipment, appliances or other appurtenances for review as early as possible to afford proper investigation and checking. No manufacturer will be approved for materials or equipment to be furnished under this Contract unless he shall be of good reputation and have a plant of ample capacity suited to the efficient production of the materials or equipment offered. He shall, upon request, be required to submit evidence that he has manufactured a similar product to the one specified and that it has been previously used for a like purpose for a sufficient length of time to demonstrate that it will fulfill all requirements of the Project.
- B. The availability of the manufacturer's service facilities for the maintenance of equipment offered will be considered in the evaluation.
- C. All transactions with the manufacturers or subcontractors shall be through the Contractor.
- D. Any two (2) or more pieces of material or equipment of the same kind, type or classification being used for identical types of service, shall be made by the same manufacturer.

1.3 SAMPLES

- A. When required, the Contractor shall submit for approval typical samples of materials and appliances. Identify samples by tags and submit sufficiently in advance of the time when they are to be incorporated into the Work so rejections will not cause delay. A letter of transmittal, in triplicate, from the Contractor requesting approval shall accompany all such samples.

1.4 EQUIVALENT QUALITY

- A. Whenever in the Contract Documents an article, material, apparatus, equipment, or process is called for by trade name of a patentee, manufacturer or dealer, or by reference to catalogue of a manufacturer or dealer, it shall be understood as intending to mean and specify the article, material, apparatus, equipment or process designated, or any approved equal in quality, finish, design, efficiency, and durability and equally serviceable for the purpose for which it is intended.
- B. Upon rejection of material or equipment submitted as the equivalent of that specifically named in the Contract, the Contractor shall proceed immediately to furnish the designated material or equipment.

1.5 DELIVERY

- A. The Contractor shall deliver materials in ample quantities to ensure the most speedy and uninterrupted progress of the Work, so as to complete the Work within the allotted time. The Contractor shall also coordinate deliveries in order to avoid delay in or impediment of the progress of the Work of any related contractor. Furnish delivery slips to the Engineer on receipt of material. Shipment by weights shall show the weights.

1.6 CARE AND PROTECTION

- A. General. The Contractor shall be solely responsible for properly storing and protection all materials, equipment and the entire work furnished under this Contract from the time such materials and equipment are delivered at the site of the Work until final acceptance of the entire Work. He shall at all times take necessary precautions to prevent injury or damage by water or by inclemencies of weather to such materials, equipment and work. All injury or damage to materials, equipment or work shall be corrected by the Contractor. Stack materials in an approved manner for convenience in counting. Do not place materials directly on the ground.
- B. Equipment. Box, crate or otherwise completely enclose and protect equipment during shipment, handling and storage. Protect equipment from exposure to the elements and keep thoroughly dry at all times. Store pumps, motors, electrical equipment and other equipment having antrification or sleeve bearings in weathertight buildings that are maintained at a minimum temperature of 60 F.
- C. Painting. Protect painted surfaces against impact, abrasion, discoloration and other damage. Repaint painted surfaces, which are damaged prior to acceptance of equipment in accordance with Section 09902.

- D. Electrical. Protect electrical equipment, controls and insulation against moisture or water damage. Connect space heaters provided in the equipment storage areas and operate at all times until equipment is placed in service.

1.7 INSTALLATION OF EQUIPMENT

- A. The Contractor shall have on hand equipment and machinery of ample capacity to facilitate this work and to handle emergencies normally encountered in work of this character.
- B. Erect equipment on the foundations at the locations and elevations shown on the Drawings, unless otherwise directed during installation.
- C. Furnish, install and protect necessary anchor and attachment bolts and other appurtenances needed for the installation of the devices included in the equipment specified. Anchor bolts shall be of ample size and strength for the purpose intended. Furnish templates and working drawings for installation.
- D. The Contractor shall, at his own expense, furnish all materials and labor for, and shall properly bed in cement grout as specified, each piece of equipment of its supporting base resting on masonry or concrete foundations. Grout shall completely fill the space between the equipment base on the foundation.

1.8 WARRANTY

- A. Unless specified otherwise, all equipment and materials furnished under this contract shall be warranted for a period of one year following testing, start-up, and final acceptance by the Engineer and Owner.

END OF SECTION

SECTION 01750
STORM WATER POLLUTION PREVENTION PLAN

PART 1 - GENERAL

1.1 DESCRIPTION

- A. This item shall govern the control measures necessary to prevent and control soil erosion, sedimentation, and water pollution, which may degrade receiving waters including rivers, streams, lakes, reservoirs, groundwater, and wetlands. The control measures contained herein shall be installed and maintained throughout the construction contract and coordinated with any permanent or temporary pollution control features specified elsewhere on the plans and in the specifications to assure effective and continuous water pollution control throughout the construction and post construction periods. The controls may include slit fences, straw bale dikes, rock berms, diversion dikes, interceptor swales, sediment traps and basins, inlet protection, stabilized construction entrances, seeding, sodding, mulching, soil retention blankets, or other structural or non-structural storm water pollution controls.

1.2 REGULATORY REQUIREMENTS

- A. The United States Environmental Protection Agency requires that a Storm Water Pollution Prevention Plan (SWPPP) be prepared. This plan shall show proposed measures to control pollutants in storm water discharges during and after construction operations. A Notice of Intent (NOI) Form shall be completed and signed by the Contractor and the Owner. This Notice of Intent must be submitted by the Contractor two days before start of construction. Submit the NOI to the following address:

Storm Water Notice of Intent
401 M. Street, SW
Washington, D.C. 20460

- B. The SWPPP is not to be submitted for EPA review; however the SWPPP shall be kept at the job site for assessment by EPA inspectors.

1.3 PRECONSTRUCTION SUBMITTALS

- A. Prior to the start of construction, the CONTRACTOR shall submit to the OWNER'S representative, for acceptance, schedules for accomplishment of the storm water pollution control measures. Work on the project shall not begin until the schedules for implementation of the controls and methods of operations have been reviewed and accepted, in writing, by the OWNER'S representative. The CONTRACTOR shall provide the OWNER'S representative for information purposes, proposed methods of storm water pollution control for CONTRACTOR operations in areas that are outside the right of way (such as construction and haul roads, field offices, equipment and supply storage areas, portable process plants, and source material storage) as well as a plan for disposal of waste materials.

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

PART 2 - PRODUCTS

- 2.1 CONTRACTOR to provide rock filter dams, silt fences, plastic liners, and temporary seeding materials of the size, type, and quality necessary to implement the required pollution control measures.

PART 3 - EXECUTION

3.1 CONSTRUCTION REQUIREMENTS

- A. The CONTRACTOR shall provide control measures to prevent or minimize the impact to receiving waters as required Federal, State or local regulations and/or as directed by the OWNER'S representative in writing.
- B. In any disturbed area where construction activities have ceased, permanently or temporarily, the CONTRACTOR shall initiate stabilization of the area by the use of seeding, mulching, soil retention blankets or other appropriate measures within 14 days, except in areas where construction activities are scheduled to resume within 21 days.
- C. The CONTRACTOR shall effectively prevent and control erosion and sedimentation on the site at the earliest practicable time as outlined in the approved schedule. Control measures, where applicable, will be implemented prior to the commencement of each construction operation or immediately after the area has been disturbed.
- D. The CONTRACTOR shall limit the amount of disturbed earth to the area(s) shown on the plans or as directed by the OWNER'S representative. The OWNER'S representative has the authority to limit the disturbed surface area exposed by construction operations. If, in the opinion of the OWNER'S representative, the CONTRACTOR is not able to effectively control soil erosion and sedimentation resulting from construction operations, the OWNER'S representative will limit the amount of disturbed area to that which the CONTRACTOR is able to control.
- E. Should the control measures fail to function effectively, the CONTRACTOR shall act immediately to bring the erosion and sedimentation under control by maintaining existing controls or by providing additional controls as directed by the OWNER'S representative. When, in the opinion of the OWNER'S representative, the site is adequately stabilized, the control measures, except mulches and soil retention blankets, will be removed and properly disposed of by the CONTRACTOR. Soil retention blankets shall be removed only when, in the opinion of the OWNER'S representative, final permanent perennial seeding would be adversely affected by the presence of an existing soil retention blanket.
- F. All erosion, sediment, and water pollution controls will be maintained in good working order. A rain gauge provided by the CONTRACTOR will be located at the project site. Within 24 hours of a rainfall event of 0.5 inch or more as measured by the project rain gauge, the CONTRACTOR and OWNER'S representative will inspect the entire project to determine the condition of the control measures. Sediment will be removed and devices repaired as soon as practicable but no later than seven days after the surrounding exposed ground has dried sufficiently to prevent further damage from equipment operations needed for repairs.

- G. In the event of continuous rainfall over a 24-hour period, or other circumstances that preclude equipment operation in the area, the CONTRACTOR will install additional backup devices, as determined by the OWNER'S representative, by other appropriate methods. The CONTRACTOR will remove slit accumulations and deposit the spoils in an area approved by the OWNER'S representative as soon as practical. Any corrective action will for the control measures will be accomplished by the sequence directed by the OWNER'S representative, however, areas adjacent to receiving waters shall generally have priority followed by devices protecting storm sewer inlets.
- H. The CONTRACTOR shall also conform to the following practices and controls. All labor, tools, equipment, and incidentals to complete the following work will not be paid for directly but shall be considered as subsidiary work to the various items included in the contract.
1. Disposal areas, stockpiles, and haul roads shall be constructed in a manner that will minimize and control the amount of sediment that may enter receiving waters. Disposal areas shall not be located in any floodplain or receiving waters. Construction roads may not be located in or cross any receiving waters without prior approval of the OWNER'S representative and shall be done in compliance with applicable rules and regulations.
 2. Construction operations in receiving waters shall be restricted to those areas where it is necessary to perform the work shown on the plans. Wherever streams are crossed, temporary bridges, timber mats, or other structures shall be used.
 3. Protected storage for paints, chemicals, solvents, fertilizers, and other potentially toxic materials will be provided by the CONTRACTOR at a location approved by the OWNER'S representative.
 4. Construction staging areas and vehicle maintenance areas shall be constructed by the CONTRACTOR in a manner to minimize the runoff of pollutants at a location approved by the OWNER'S representative. The CONTRACTOR shall prevent pollution of receiving waters with petroleum products or other hazardous or regulated substances. When work areas or material sources are located adjacent to a receiving water, control measures such as diversion dikes or rock berms, shall be used to keep sediment and other contaminants from entering the adjacent receiving water. Care shall be taken during the construction and removal of such barriers to minimize down-gradient sedimentation.
 5. All receiving waters shall be cleared as soon as practicable of temporary embankment, temporary bridges, matting, falsework, piling, debris, or other obstructions placed during construction operations that are not a part of the finished work.
 6. Disturbance of vegetation shall be minimized and limited to only what is shown on the construction plans or as directed by the OWNER'S representative in writing.
 7. The CONTRACTOR shall clean paved surfaces, as necessary, to remove sediment that has accumulated on the roadway.
 - a. The project will not be accepted until the CONTRACTOR has cleaned-up disturbed areas to the satisfaction of the OWNER'S representative. The project will also not be accepted until the CONTRACTOR provides a uniform perennial vegetative cover with a density of 70 percent of adjacent undisturbed areas, or, if in the opinion of the OWNER'S representative, permanent measures (such as mulching with seed, straw bale dikes, slit fences, earth dams, etc.) have been employed that will control erosion, sedimentation, and water pollution until sufficient vegetative cover can be established.

PART 4 - MEASUREMENT AND PAYMENT

- 4.1 Unless specific bid item(s) are shown in the Bid Proposal Form, there will be no separate payment for work described under this section. Include the cost of this work in other applicable bid item(s) of which this work is a component part.

END OF SECTION

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SECTION 01770 CLOSEOUT PROCEDURES

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Special Conditions and other Division 1 Specification Sections, apply to this Section.
- B. Provide operation and maintain information as described in Table 1 at the end of Section 01782 – Operation and Maintenance Data.

1.2 SUMMARY

- A. This Section includes administrative and procedural requirements for contract closeout, including, but not limited to, the following:
 - 1. Inspection procedures.
 - 2. Project Record Documents.
 - 3. Operation and maintenance manuals.
 - 4. Warranties.
 - 5. Instruction of Owner's personnel.
 - 6. Final cleaning.
- B. Related Sections include the following:
 - 1. Division 1 Section "Operation and Maintenance Data" for operation and maintenance manual requirements.
 - 2. Divisions 2 through 16 Sections for specific closeout and special cleaning requirements for products of those Sections.

1.3 SUBSTANTIAL COMPLETION

- A. Preliminary Procedures: Before requesting inspection for determining date of Substantial Completion, complete the following. List items below that are incomplete in request.
 - 1. Address issues on the Engineer's punch list that have not been completed and corrected, the value of items on the list, and reasons why the Work is not complete.
 - 2. Advise Owner of pending insurance changeover requirements.
 - 3. Submit specific warranties, workmanship bonds, maintenance service agreements, final certifications, and similar documents.
 - 4. Obtain and submit releases permitting Owner unrestricted use of the Work and access to services and utilities. Include occupancy permits, operating certificates, and similar releases.
 - 5. Prepare and submit Project Record Documents, operation and maintenance manuals, damage or settlement surveys, property surveys, and similar final record information.

6. Deliver tools, spare parts, extra materials, and similar items to location designated by Owner. Label with manufacturer's name and model number where applicable.
7. Make final changeover of permanent locks and deliver keys to Owner. Advise Owner's personnel of changeover in security provisions.
8. Complete startup testing of systems.
9. Submit test/adjust/balance records.
10. Terminate and remove temporary facilities from Project site, along with construction tools, and similar elements.
11. Advise Owner of changeover in heat and other utilities.
12. Submit changeover information related to Owner's occupancy, use, operation, and maintenance.
13. Complete final cleaning requirements, including touchup painting.
14. Touch up and otherwise repair and restore marred exposed finishes to eliminate visual defects.

B. Inspection: Submit a written request for inspection for Substantial Completion. On receipt of request, Engineer will either proceed with inspection or notify Contractor of unfulfilled requirements. Engineer will prepare the Certificate of Substantial Completion after inspection or will notify Contractor of items, either on Contractor's list or additional items identified by Engineer, that must be completed or corrected before certificate will be issued.

1. Reinspection: Request reinspection when the Work identified in previous inspections as incomplete is completed or corrected.
2. Results of completed inspection will form the basis of requirements for Final Completion.

1.4 FINAL COMPLETION

A. Preliminary Procedures: Before requesting final inspection for determining date of Final Completion, complete the following:

1. Submit a final Application for Payment in accordance with the requirements of the Special Conditions.
2. Submit copy of Engineer's Substantial Completion inspection list of items to be completed or corrected (punch list). The copy of the list shall state that each item has been completed or otherwise resolved for acceptance.
3. Submit evidence of final, continuing insurance coverage complying with insurance requirements.
4. Instruct Owner's personnel in operation, adjustment, and maintenance of products, equipment, and systems.

B. Inspection: Submit a written request for final inspection for acceptance. On receipt of request, Engineer will either proceed with inspection or notify Contractor of unfulfilled requirements. Engineer will prepare a final Certificate for Payment after inspection or will notify Contractor of construction that must be completed or corrected before certificate will be issued.

1. Reinspection: Request reinspection when the Work identified in previous inspections as incomplete is completed or corrected.

1.5 LIST OF INCOMPLETE ITEMS (Not Used)

1.6 PROJECT RECORD DOCUMENTS

- A. General: Do not use Project Record Documents for construction purposes. Protect Project Record Documents from deterioration and loss. Provide access to Project Record Documents for Engineer's reference during normal working hours.
- B. Record Drawings: Maintain and submit one set of blue- or black-line white prints of Contract Drawings and Shop Drawings.
 - 1. Mark Record Prints to show the actual installation where installation varies from that shown originally. Require individual or entity who obtained record data, whether individual or entity is Installer, subcontractor, or similar entity, to prepare the marked-up Record Prints.
 - a. Give particular attention to information on concealed elements that cannot be readily identified and recorded later.
 - b. Accurately record information in an understandable drawing technique.
 - c. Record data as soon as possible after obtaining it. Record and check the markup before enclosing concealed installations.
 - d. Mark Contract Drawings or Shop Drawings, whichever is most capable of showing actual physical conditions, completely and accurately. Where Shop Drawings are marked, show cross-reference on Contract Drawings.
 - 2. Mark record sets with erasable, red-colored pencil. Use other colors to distinguish between changes for different categories of the Work at the same location.
 - 3. Mark important additional information that was either shown schematically or omitted from original Drawings.
 - 4. Note Construction Change Directive numbers, Change Order numbers, alternate numbers, and similar identification where applicable.
 - 5. Identify and date each Record Drawing; include the designation "PROJECT RECORD DRAWING" in a prominent location. Organize into manageable sets; bind each set with durable paper cover sheets. Include identification on cover sheets.
- C. Miscellaneous Record Submittals: Assemble miscellaneous records required by other Specification Sections for miscellaneous record keeping and submittal in connection with actual performance of the Work. Bind or file miscellaneous records and identify each, ready for continued use and reference.

1.7 OPERATION AND MAINTENANCE MANUALS

- A. Reference Section 01782 – Operation and Maintenance Data.

1.8 WARRANTIES (Not Used)

PART 2 - PRODUCTS

2.1 MATERIALS

- A. Cleaning Agents: Use cleaning materials and agents recommended by manufacturer or fabricator of the surface to be cleaned. Do not use cleaning agents that are potentially hazardous to health or property or that might damage finished surfaces.

PART 3 - EXECUTION

3.1 DEMONSTRATION AND TRAINING

- A. Instruction: Instruct Owner's personnel to adjust, operate, and maintain systems, subsystems, and equipment not part of a system.
 - 1. Provide instructors experienced in operation and maintenance procedures.
 - 2. Provide instruction at mutually agreed-on times. For equipment that requires seasonal operation, provide similar instruction at the start of each season.
 - 3. Schedule training with Owner with at least seven (7) days' advance notice.
 - 4. Coordinate instructors, including providing notification of dates, times, length of instruction, and course content.
- B. Program Structure: Develop an instruction program that includes individual training modules for each system and equipment not part of a system, as required by individual Specification Sections. For each training module, develop a learning objective and teaching outline. Include instruction for the following:
 - 1. System design and operational philosophy.
 - 2. Review of documentation.
 - 3. Operations.
 - 4. Adjustments.
 - 5. Troubleshooting.
 - 6. Maintenance.
 - 7. Repair.

3.2 FINAL CLEANING

- A. General: Provide final cleaning. Conduct cleaning and waste-removal operations to comply with local laws and ordinances and Federal and local environmental and antipollution regulations.
 - 1. Complete the following cleaning operations before requesting inspection for certification of Substantial Completion for entire Project or for a portion of Project:
 - a. Clean Project site, yard, and grounds, in areas disturbed by construction activities, including landscape development areas, of rubbish, waste material, litter, and other foreign substances.
 - b. Sweep paved areas broom clean. Remove petrochemical spills, stains, and other foreign deposits.

- c. Rake grounds that are neither planted nor paved to a smooth, even-textured surface.
 - d. Remove tools, construction equipment, machinery, and surplus material from Project site.
 - e. Clean exposed exterior and interior hard-surfaced finishes to a dirt-free condition, free of stains, films, and similar foreign substances. Avoid disturbing natural weathering of exterior surfaces. Restore reflective surfaces to their original condition.
 - f. Remove debris and surface dust from limited access spaces, including roofs, plenums, shafts, trenches, equipment vaults, manholes, attics, and similar spaces.
 - g. Sweep concrete floors broom clean in unoccupied spaces.
 - h. Clean transparent materials, including mirrors and glass in doors and windows. Remove glazing compounds and other noticeable, vision-obscuring materials. Replace chipped or broken glass and other damaged transparent materials. Polish mirrors and glass, taking care not to scratch surfaces.
 - i. Remove labels that are not permanent.
 - j. Touch up and otherwise repair and restore marred, exposed finishes and surfaces. Replace finishes and surfaces that cannot be satisfactorily repaired or restored or that already show evidence of repair or restoration.
 - 1) Do not paint over "UL" and similar labels, including mechanical and electrical nameplates.
 - k. Revise seven subparagraphs below to suit Project. Check for conflict or duplication with provisions in other Sections, particularly Divisions 15 and 16.
 - l. Wipe surfaces of mechanical and electrical equipment, elevator equipment, and similar equipment. Remove excess lubrication, paint and mortar droppings, and other foreign substances.
 - m. Replace parts subject to unusual operating conditions.
 - n. Clean plumbing fixtures to a sanitary condition, free of stains, including stains resulting from water exposure.
 - o. Replace disposable air filters and clean permanent air filters. Clean exposed surfaces of diffusers, registers, and grills.
 - p. Clean ducts, blowers, and coils if units were operated without filters during construction.
 - q. Clean light fixtures, lamps, globes, and reflectors to function with full efficiency. Replace burned-out bulbs, and those noticeably dimmed by hours of use, and defective and noisy starters in fluorescent and mercury vapor fixtures to comply with requirements for new fixtures.
 - r. Leave Project clean and ready for occupancy.
- B. Comply with safety standards for cleaning. Do not burn waste materials. Do not bury debris or excess materials on Owner's property. Do not discharge volatile, harmful, or dangerous materials into drainage systems. Remove waste materials from Project site and dispose of lawfully.

END OF SECTION

SECTION 02232 SITE CLEARING

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Special Conditions and Division 1 Specification Sections, apply to this Section.

1.2 SUMMARY

- A. This Section includes the following:

1. Protecting existing trees and grass to remain.
2. Removing existing trees, plants and grass.
3. Clearing and grubbing.
4. Stripping and stockpiling topsoil.
5. Removing above- and below-grade site improvements.
6. Disconnecting, capping or sealing, and removing or abandoning site utilities.
7. Temporary erosion and sedimentation control measures.

- B. Related Sections include the following:

1. Division 1 Section "Temporary Facilities and Controls" for temporary utilities, temporary construction and support facilities, temporary security and protection facilities, and temporary erosion and sedimentation control procedures.
2. Division 1 Section "Selective Demolition" for partial demolition of buildings or structures undergoing alterations.
3. Division 2 Section "Earthwork" for soil materials, excavating, backfilling, and site grading.
4. Division 2 Section "Lawns and Grasses and Exterior Plants" for finish grading including preparing and placing planting soil mixes and testing of topsoil material.

1.3 DEFINITIONS

- A. Topsoil: Natural or cultivated surface-soil layer containing organic matter and sand, silt, and clay particles; friable, pervious, and black or a darker shade of brown, gray, or red than underlying subsoil; reasonably free of subsoil, clay lumps, gravel, and other objects more than 2 inches in diameter; and free of subsoil and weeds, roots, toxic materials, or other nonsoil materials.
- B. Tree Protection Zone: Area surrounding individual trees or groups of trees to be protected during construction, and defined by the drip line of individual trees or the perimeter drip line of groups of trees, unless otherwise indicated.

1.4 MATERIAL OWNERSHIP

- A. Except for stripped topsoil or other materials indicated to remain Owner's property, cleared materials shall become Contractor's property and shall be removed from Project site.

1.5 SUBMITTALS (Not Used)

1.6 QUALITY ASSURANCE (Not Used)

1.7 PROJECT CONDITIONS

- A. Traffic: Minimize interference with adjoining roads, streets, walks, and other adjacent occupied or used facilities during site-clearing operations.
 - 1. Do not close or obstruct streets, walks, or other adjacent occupied or used facilities without permission from Owner and authorities having jurisdiction.
 - 2. Provide alternate routes around closed or obstructed traffic ways if required by authorities having jurisdiction.
- B. Improvements on Adjoining Property: Authority for performing site clearing indicated on property adjoining Owner's property will be obtained by Owner before award of Contract.
 - 1. Do not proceed with work on adjoining property until directed by Engineer.
- C. Salvable Improvements: Carefully remove items indicated to be salvaged and store on Owner's premises where indicated.
- D. Utility Locator Service: Notify utility locator service for area where Project is located before site clearing.
- E. Do not commence site clearing operations until temporary erosion and sedimentation control measures are in place.

PART 2 - PRODUCTS

2.1 SOIL MATERIALS

- A. Satisfactory Soil Materials: Requirements for satisfactory soil materials are specified in Division 2 Section "Earthwork."
 - 1. Obtain approved borrow soil materials on-site, when satisfactory soil materials are not available in designated borrow areas request borrow area expansion.

PART 3 - EXECUTION

3.1 PREPARATION

- A. Protect and maintain benchmarks and survey control points from disturbance during construction.
- B. Locate and clearly flag trees and vegetation to remain or to be relocated.
- C. Protect existing site improvements to remain from damage during construction.
 - 1. Restore damaged improvements to their original condition, as acceptable to Owner.

3.2 TEMPORARY EROSION AND SEDIMENTATION CONTROL

- A. Provide temporary erosion and sedimentation control measures to prevent soil erosion and discharge of soil-bearing water runoff or airborne dust to adjacent properties and walkways, according to requirements of authorities having jurisdiction.
- B. Inspect, repair, and maintain erosion and sedimentation control measures during construction until permanent vegetation has been established.
- C. Remove erosion and sedimentation controls and restore and stabilize areas disturbed during removal.

3.3 TREE PROTECTION

- A. Erect and maintain temporary fencing around tree protection zones before starting site clearing. Remove fence when construction is complete.
 - 1. Do not store construction materials, debris, or excavated material within fenced area.
 - 2. Do not permit vehicles, equipment, or foot traffic within fenced area.
 - 3. Maintain fenced area free of weeds and trash.
- B. Do not excavate within tree protection zones, unless otherwise indicated.
- C. Where excavation for new construction is required within tree protection zones, hand clear and excavate to minimize damage to root systems. Use narrow-tine spading forks, comb soil to expose roots, and cleanly cut roots as close to excavation as possible.
 - 1. Cover exposed roots with burlap and water regularly.
 - 2. Temporarily support and protect roots from damage until they are permanently redirected and covered with soil.
 - 3. Coat cut faces of roots more than 1-1/2 inches in diameter with an emulsified asphalt or other approved coating formulated for use on damaged plant tissues.
 - 4. Backfill with soil as soon as possible.
- D. Repair or replace trees and vegetation indicated to remain that are damaged by construction operations, in a manner approved by Engineer.

1. Employ an arborist, licensed in jurisdiction where Project is located, to submit details of proposed repairs and to repair damage to trees and shrubs.
2. Replace trees that cannot be repaired and restored to full-growth status, as determined by Engineer.

3.4 UTILITIES

- A. Owner will arrange for disconnecting and sealing indicated utilities that serve existing structures before site clearing, when requested by Contractor.
 1. Verify that utilities have been disconnected and capped before proceeding with site clearing.
- B. Locate, identify, disconnect, and seal or cap off utilities indicated to be removed.
 1. Arrange with utility companies to shut off indicated utilities.
 2. Owner will arrange to shut off indicated utilities when requested by Contractor.
- C. Existing Utilities: Do not interrupt utilities serving facilities occupied by Owner or others unless permitted under the following conditions and then only after arranging to provide temporary utility services according to requirements indicated:
 1. Notify Engineer not less than two days in advance of proposed utility interruptions.
 2. Do not proceed with utility interruptions without Engineer's written permission.
- D. Excavate for and remove underground utilities indicated to be removed.
- E. Removal of underground utilities is included in Division 2 Sections covering site utilities.

3.5 CLEARING AND GRUBBING

- A. Remove obstructions, trees, shrubs, grass, and other vegetation to permit installation of new construction.
 1. Do not remove trees, shrubs, and other vegetation indicated to remain or to be relocated.
 2. Cut minor roots and branches of trees indicated to remain in a clean and careful manner where such roots and branches obstruct installation of new construction.
 3. Grind stumps and remove roots, obstructions, and debris extending to a depth of 18 inches below exposed subgrade.
 4. Use only hand methods for grubbing within tree protection zone.
 5. Chip removed tree branches and stockpile in areas approved by Engineer.
- B. Fill depressions caused by clearing and grubbing operations with satisfactory soil material unless further excavation or earthwork is indicated.
 1. Place fill material in horizontal layers not exceeding a loose depth of 8 inches, and compact each layer to a density equal to adjacent original ground.

3.6 TOPSOIL STRIPPING

- A. Remove sod and grass before stripping topsoil.
- B. Strip topsoil to whatever depths are encountered in a manner to prevent intermingling with underlying subsoil or other waste materials.
 - 1. Remove subsoil and nonsoil materials from topsoil, including trash, debris, weeds, roots, and other waste materials.
- C. Stockpile topsoil materials away from edge of excavations without intermixing with subsoil. Grade and shape stockpiles to drain surface water. Cover to prevent windblown dust.
 - 1. Limit height of topsoil stockpiles to 72 inches.
 - 2. Do not stockpile topsoil within tree protection zones.
 - 3. Dispose of excess topsoil as specified for waste material disposal.
 - 4. Stockpile surplus topsoil to allow for resspreading deeper topsoil.

3.7 SITE IMPROVEMENTS

- A. Remove existing above- and below-grade improvements as indicated and as necessary to facilitate new construction.
- B. Remove slabs, paving, curbs, gutters, and aggregate base as indicated.
 - 1. Unless existing full-depth joints coincide with line of demolition, neatly saw-cut length of existing pavement to remain before removing existing pavement. Saw-cut faces vertically.
 - 2. Paint cut ends of steel reinforcement in concrete to remain to prevent corrosion.

3.8 DISPOSAL

- A. Disposal: Remove surplus soil material and unsuitable topsoil and dispose of on site as directed by the Engineer. Obstructions, demolished materials, and waste materials including trash and debris, and legally dispose of them off Owner's property.
 - 1. Separate recyclable materials produced during site clearing from other nonrecyclable materials. Store or stockpile without intermixing with other materials and transport them to recycling facilities.

END OF SECTION

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SECTION 02930
SEED AND FERTILIZE

PART 1 - GENERAL

1.1 DESCRIPTION

- A. Provide topsoil, fine grading, fertilizer and hydromulching as indicated on the Drawings, or if not specifically shown, as directed by the Engineer to all areas disturbed by the work.

1.2 PRODUCT DELIVERY, STORAGE AND HANDLING

- A. Deliver fertilizer, as specified, to site in original, sealed containers bearing manufacturer's guaranteed statement of analysis.
- B. Store fertilizer in weatherproof locations.

1.3 QUALITY ASSURANCE

- A. Water: Will be available on site. Provide necessary hoses and other watering equipment required to complete work.
- B. Maintenance: Until final acceptance, and until an approved stand of grass is achieved, maintain plantings by watering, cultivating, mowing, weeding, spraying, cleaning and replacing as necessary to keep plants in a vigorous, healthy condition.
1. Watering: As necessary to keep top 2 inches of soil moist. Coordinate with Irrigation Contractor.
 2. Mowing: Mow newly planted grass areas weekly after initial growth reaches 2-1/2 inches.
 3. Weeding: Remove weeds and foreign grass over plant areas at least once a week. Herbicides may be used only when approved by Engineer.

1.4 CONDITION OF SURFACES

- A. Areas will be left at finish grade ± 0.1 foot. Surface shall be smooth, even, and free from unsightly variations, ridges or depressions.

1.5 ACCEPTANCE

- A. The work will be accepted when a completed, undamaged stand of permanent Bermudagrass is achieved, as approved by Engineer.

1.6 SEEDING SCHEDULES

- A. Annual Ryegrass (if applicable): October through February.
- B. Bermudagrass: March through September.

PART 2 - MATERIALS

2.1 GRASS

A. Seed

- 1. Bermudagrass (*Cynodon dactylon*): Extra fancy, hulled and treated lawn type seed with purity of 95% or better and germination of 85% or better, and per requirements of Texas Seed Law. Weed content less than 1/2%. No noxious weeds.
- 2. Annual Italian Ryegrass (*Lolium perenne*): Purity of 95% or better and germination of 90% or better, per the requirements of Texas Seed law. Weed content less than 1/2%. No noxious weeds.

2.2 FERTILIZER

- A. Provide a complete fertilizer, part of the elements of which are derived from organic sources and shall include trace elements. Fillers to be sulphur and iron sulphate.
 - 1. First Application: 10-10-10 or similar analysis with minimum 8% sulphur and 4% iron, plus micronutrients.
 - 2. Second Application: 20-5-10 or similar analysis. Nitrogen source to be a minimum of 50% slow release organic nitrogen (SCU or UF) plus minimum 8% sulphur and 4% iron plus micronutrients.

2.3 MULCH FIBER

- A. Wood cellulose fiber for hydromulch - Weyerhaeuser or Conweb with green color additive.

2.4 TACKIFIER

- A. Natural, non-asphaltic vegetable gum with gelling and hardening agents.

2.5 SHARP SAND

- A. Clean, washed sand (fine aggregate) - ASTM C-33.

PART 3 - EXECUTION

3.1 PREPARATION

- A. Grading: Verify that lawn areas have been graded as shown on plans.

3.2 FINAL GRADING/SEED BED PREPARATION

- A. Loosen areas to be grassed and fine rake to break up lumps and produce a smooth, even grade, free from unsightly variations, ridges or depressions.
- B. Remove and dispose of stones 1 inch or larger, sticks, roots, other debris and grass stubble exposed during this operation.
- C. Do not vary final grades more than 0.1 foot from finish elevations.
- D. Receive approval of fine grading from Engineer prior to grass planting.

3.3 FERTILIZING

- A. Fertilize Bermudagrass only.
- B. First Application
 - 1. Distribute 10-10-10 fertilizer uniformly at rate of 15 pounds per 1,000 square feet after initial germination.
- C. Second Application
 - 1. Repeat fertilization with 20-5-10 commercial fertilizer after the first two cuttings at rate of 15 pounds per 1,000 square feet.
- D. Water: Immediately water in fertilizer after each application.

3.4 GRASS PLANTING

- A. Refer to seeding schedule and proceed with appropriate grass planting.
- B. Hydromulching
 - 1. At time of seeding, soil to be moist but not muddy and wind velocity shall not exceed 10 miles per hour. Add water if required to moisten soil.
 - 2. Complete final grading and hydromulch Ryegrass seed evenly at rate of five (5) pounds per 1,000 square feet with wood cellulose fiber at rate of fifty (50) pounds per 1,000 square feet.
 - 3. Complete final grading and hydromulch Bermudagrass seed evenly at rate of two (2) pounds per 1,000 square feet with wood cellulose fiber at rate of fifty (50) pounds per 1,000 square feet.

4. Add tackifier to mix for slopes 4:1 or greater at rate of one pound per bag of mulch.

3.5 RYE GRASS REMOVAL

- A. Spray Rye grass areas with a light application (1 qt./acre) of glyphosate herbicide carefully following manufacturer's recommendations. Do not apply this spray when wind velocity is greater than 10 mph.
- B. Once grass has died, scalp areas by mowing to a height of approximately 1 inch. Collect clippings and legally dispose off site.

3.6 PERFORMANCE

- A. Establish a dense lawn of permanent Bermudagrass, free from lumps and depressions.
- B. Regrass any area failing to show uniform cover. Such replacement shall continue until a dense lawn is established. Scattered bare spots will not be allowed.
- C. Mow and edge lawn a minimum of three times, each time after the lawn has reached a height of 2-1/2 inches to 3 inches. Mow to a height of 2 inches returning the clippings to lawn.

3.7 GRADE MAINTENANCE AND EROSION DAMAGE

- A. Maintain original grades of lawn areas after commencement of planting and during maintenance period.
- B. Provide surface repair to ruts, ridges, tracks. Replant areas required for final acceptance.

3.8 ACCEPTANCE

- A. The work will be accepted when a completed, undamaged stand of grass is achieved, as approved by Engineer.

3.9 CLEAN UP

- A. Keep premises neat and orderly including organization of storage areas. Remove trash and debris resulting from lawn preparation from site daily as work progresses. Leave paved areas in a broom clean condition by sweeping or hosing.

END OF SECTION

SECTION 02970

PREPARING RIGHT-OF-WAY

PART 1 - GENERAL

1.1 DESCRIPTION

- A. This section of the specifications includes the furnishing of all plant, labor, equipment, and materials, and the performance of all operations required to prepare the Right-of-Way for grading, excavation and embankment.
- B. This work shall consist of preparing the Right-of-Way for construction operations by the removal and disposal of all obstructions from the Right-of-Way and from designated easements, where removal of such obstructions is not otherwise provided for in the plans and specifications.
- C. Such obstructions shall be considered to include remains of houses, foundations, floor slabs, concrete, brick, lumber, plaster, cisterns, water wells, septic tanks, basements, abandoned utility pipes or conduits, underground service station tanks, equipment, or other foundations, fences, retaining walls, outhouses, shacks, and all other debris.
- D. This item shall also include the removal of trees and shrubs, brush, roots, vegetation, logs, and other landscape features not designated for preservation, curb and gutter, driveways, paved parking areas, miscellaneous stone, brick, concrete, sidewalks, drainage structures, manholes, inlets, abandoned railroad tracks, scrap iron and all rubbish and debris whether above or below ground, except live utility facilities..
- E. It is the intent of this specification to provide for the removal and disposal of all obstructions and objectionable materials not specifically provided for elsewhere by the plans and specifications.

1.2 CONSTRUCTION METHODS

- A. General
 - 1. The entire Right-of-Way for this project, and such additional easement areas as made available for construction of this project, shall be cleared of all structures, obstructions, and vegetation, as defined above, except trees or shrubs specifically designated for preservation shall be carefully trimmed as directed and shall be protected from scarring, barking, or other injuries during construction operations. Exposed ends of pruned limbs shall be treated with an approved asphaltic material. Culverts, storm sewers, manholes, and inlets shall be removed in proper sequence for maintenance of traffic and drainage. Unless otherwise indicated on the drawings, all foundations and underground obstructions shall be removed to the following depths:
 - a. In areas to receive embankment, two feet (2') below natural ground.
 - b. In areas to be excavated, two feet (2') below the lower elevation of the excavation.
 - c. All other areas, one foot (1') below natural ground.

2. All basement walls and floors, cisterns, septic tanks, and storage tanks within the limits of the Right-of-Way shall be removed and the resulting holes backfilled with approved material as directed by the Engineer.
3. Holes remaining after removal of all obstructions, objectionable material, trees, stumps, etc., shall be backfilled and tamped as directed by the Engineer. The Contractor shall complete the operation of preparing Right-of-Way by blading, bulldozing, or by other approved methods, so that the prepared Right-of-Way shall be free of holes, ditches, and other abrupt changes in elevations and irregularities of contour.
4. The remaining ends of all abandoned storm sewers, culverts, sanitary sewers, conduits, and water or gas pipes shall be plugged with an adequate quantity of concrete to form a tight closure.
5. Abandoned water wells shall be removed to grade indicated on the drawings and backfilled as directed by the Engineer.

B. Clearing and Grubbing:

1. General
 - a. All clearing and grubbing operations shall be conducted in such a manner as to prevent damage to adjacent property, fences and existing structures.
 - b. In particular instances, trees or plants may be noted on the drawings and designated "To Remain". Trees and plants designated to remain shall be carefully trimmed as directed and shall be protected from scarring, barking, or other injuries during construction operations. Exposed ends of pruned limbs shall be treated with an approved asphaltic material.
2. Roadway, Structure, Borrow Pit, and Channel Excavation
 - a. All stumps, roots, trees, etc., within the limits of the excavation shall be removed to a depth of at least one foot (1') below the lower elevation of the excavation.
 - b. The Contractor shall also clear the full width of the Right-of-Way of brush, logs, rubbish, and other objectionable matter except grass and small weeds. Except as necessary to accommodate the Contractor's operations, trees outside the limits of the excavation shall not be removed, and the Contractor must get permission from the Engineer to remove such trees.
 - c. In areas required for borrow pits, the trees, stumps, roots, and other objectionable matter shall be removed to the complete extent necessary to prevent such objectionable matter from becoming mixed with the material to be used in construction.
3. Embankment Areas
 - a. In areas required for embankment construction less than three feet (3') deep, all trees, stumps, roots, etc., shall be removed to a depth of at least one foot (1') below the existing ground surface. All holes remaining after clearing and grubbing shall be backfilled and tamped as directed by the Engineer.
 - b. In areas where the embankment will be more than three feet (3') deep, trees, stumps, roots, etc., may be cut off as close to natural ground as practicable.
 - c. The Contractor shall also clear the full width of the Right-of-Way as specified above for areas outside the limits of excavation.

1.3 DISPOSAL OF WASTE

- A. Disposal of cleared material shall be the Contractor's responsibility. Waste shall not be disposed of by burning except with the specific permission of the Engineer; and burning operations shall be conducted in a manner to avoid hazard to the work, to structures, and to adjacent property. During any burning operations, the Contractor shall comply with all laws and regulations relating to disposal of waste by fire and shall provide constant attendance at fires until fires have been extinguished or have completely burned out.

1.4 REMOVAL OF WASTE

- A. The Contractor shall remove completely from the site all unburned and partly burned timber, waste debris, and rubbish resulting from clearing operations. The material shall not be wasted on any adjacent property without the express consent of the property owner concerned. The Right-of-Way shall be cleaned and left in a neat and orderly condition.

1.5 MEASUREMENT

- A. The work performed will be measured by the "100-Foot Station" regardless of the width of the right-of-way as shown on the plans.

1.6 PAYMENT

- A. All work performed under this section of the specifications will be paid for by the "100-Foot Station" price bid for preparing Right-of-Way, which price shall be full compensation for furnishing all labor, equipment, tools, supplies and incidentals necessary to complete the work.

END OF SECTION

APPENDIX A – ADDITIONAL TECHNICAL SPECIFICATIONS

Item 1 MOBILIZATION

This item shall govern for the establishment of office and other facilities at the project site and the movement of personnel, construction equipment, project signs, and supplies to the project site or to the vicinity of the project site to enable the Contractor to begin work on the other contract items that will be performed by the Contractor. The maximum bid amount for this item shall not exceed five percent (5%) of the total bid.

Partial payments of the "Lump Sum" bid for mobilization will be as follows. The adjusted contract amount for construction items as used below is defined as the total contract amount less the lump sum bid for Mobilization.

- A. When 1% of the adjusted contract amount for construction items is earned, 50% of the mobilization lump sum bid or 2.5% of the total contract amount, whichever is less, will be paid. Previous payments under this Item will be deducted from this amount.
- B. When 5% of the adjusted contract amount for construction items is earned, 75% of the mobilization lump sum bid or 5% of the total contract amount, whichever is less, will be paid. Previous payments under this Item will be deducted from this amount.
- C. When 10% of the adjusted contract amount for construction items is earned, 90% of the mobilization lump sum bid or 5% of the total contract amount, whichever is less, will be paid. Previous payments under this Item will be deducted from this amount.
- D. When 15% of the adjusted contract amount for construction items is earned, 100% of the mobilization lump sum bid or 5% of the total contract amount, whichever is less, will be paid. Previous payments under this Item will be deducted from this amount.

Item 2 TEMPORARY TRAFFIC CONTROL

The contractor shall provide a traffic control plan in accordance with the latest Texas Manual on Uniform Traffic Control Devices (TMUTCD) and submit to the city for approval. This item shall include the furnishing, installation, maintenance and removal of barricades, lights, warning signs, temporary traffic signal controls, temporary pavement markings, and all other necessary traffic control items in accordance with the traffic control plans. The lump sum price shall include all labor, equipment and materials necessary to complete the work.

Item 3 STORM WATER POLLUTION PREVENTION PLAN

This item shall consist of preparing and implementing the Storm Water Pollution Prevention Plan. The Contractor will be required to fill out the certification forms in the SW3P, perform inspections and complete inspection reports, and pay the permit fees for the Notice of Intent (NOI) and a Notice of Termination (NOT) to the Texas Commission on Environmental Quality (TCEQ) with copies to the City prior to any construction. Also, a copy of the NOI shall be posted at the construction site at all times. The lump sum price bid shall be full compensation to complete the work. *SW3P inspection reports shall be included with all pay estimates and payments will be held if not received.*

Item 4 FLEX BASE (CMP IN PLC)(TYA GR1-2)(6")**Description:**

This item shall be for providing Flex Base in areas where additional base will be needed. This shall be constructed in accordance with TxDOT Item 247 in the 2014 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges

Materials:

Refer to TxDOT Item 247.

Measurement:

Refer to TxDOT Item 247.

Payment:

Refer to TxDOT Item 247.

Item 5 CEMENT TREAT (EXIST MATL) (6")(SLURRY)(RATE = 28 LBS/SY)**Description:**

This item shall be for pulverizing the existing asphalt and 6 (six) to 8 (eight) inches of existing base material, mixing the pulverized asphalt into the base, shaping and compacting the asphalt & base mixture, and cement treating the new base for a depth of 6 (six) inches. This shall be constructed in accordance with TxDOT Item 275 in the 2014 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges

Materials:

Refer to TxDOT Item 275 and the plans.

Measurement:

Refer to TxDOT Item 275. Additional Item 520.

Payment:

Refer to TxDOT Item 275. Additional Item 216.

Item 6 PRIME COAT (MC-30 OR AE-P) (0.15 GAL/SY)**Description:**

This item shall be for preparing and treating the existing or newly constructed surface with a bituminous material. This shall be constructed in accordance with TxDOT Item 310 in the 2014 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges

Materials:

Refer to TxDOT Item 310 and the plans. Additional Item 300.

Measurement:

Refer to TxDOT Item 310.

Payment:

Refer to TxDOT Item 310.

Item 7 D-GR HMA(SQ) TY-D PG64-22 (2")**Description:**

This item shall be constructing a pavement layer composed of a compacted, dense-graded mixture of aggregate and asphalt binder mixed hot in a mixing plant. This shall be constructed in accordance with TxDOT Item 340 in the 2014 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges

Materials:

Refer to TxDOT Item 340 and the plans. Additional Item 300 & 301.

Measurement:

Refer to TxDOT Item 340. Additional Item 520.

Payment:

Refer to TxDOT Item 340.

**Item 8,9, & 10 REFLECTIVE PAVEMENT MARKING (WHITE)(SOLID)(4"),
REFLECTIVE PAVEMENT MARKING (YELLOW)(SOLID)(4"), REFLECTIVE PAVEMENT
MARKING (WHITE)(24")****Description:**

This item shall be furnishing and installing reflective pavement markers along CR 97 and "Stop Bars" as indicated in the plans. This shall be constructed in accordance with TxDOT Item 666 in the 2014 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges

Materials:

Refer to TxDOT Item 666.

Measurement:

Refer to TxDOT Item 666.

Payment:

Refer to TxDOT Item 666.

**Item A1, A2, A3, & A4 ASPH (CRS-2) OR APPROVED EQUAL, AGGR(TY-B GR-3
SAC-B), & AGGR(TY-B GR-5 SAC-B)****Description:**

This item shall be constructing a pavement layer composed of a double "chip-seal" surface treatment for CR 97 only in lieu of the 2" overly as indicated below. This shall be constructed in accordance with TxDOT Item 340 in the 2014 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges

1st Course Chip-seal Surface Treatment

- ASPH (CRS-2) OR APPROVED EQUAL (0.5 GAL/SY)
- AGGR(TY-B GR-3 SAC-B)(3/4 IN. NOM. AGG. SIZE)

2nd Course Chip-seal Surface Treatment

- ASPH (CRS-2) OR APPROVED EQUAL (0.6 GAL/SY)
- AGGR(TY-B GR-5 SAC-B)(3/8 IN. NOM. AGG. SIZE)

Materials:

Refer to TxDOT Item 316.

Measurement:

Refer to TxDOT Item 316.

Payment:

Refer to TxDOT Item 316.

**Bid Bond
SURETY DEPARTMENT**

Conforms with the American Institute of
Architects, A.I.A Documents No. A-310

KNOW ALL MEN BY THESE PRESENTS,

That we, Texana Land & Asphalt, Inc. as Principal
hereinafter called the Principal, and Hudson Insurance Company a corporation created and existing under the laws of the
State of Delaware whose principal office is in New York, NY as Surety, hereinafter called the Surety,
are held and firmly bound unto City of Celina as Obligee, hereinafter called the Obligee,

in the sum of Five Percent of the Greatest Amount Bid

Dollars (\$5% GAB)

for the payment of which sum, well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs,
executors, administrators, successors and assigns, jointly and severally, firmly by these presents

Whereas, the Principal has submitted a bid for City of Celina 2018 Street Improvements

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a contract with the
Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or contract
documents with good and sufficient surety for the faithful performance of such contract and for the prompt payment of labor and
material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such contract and give such
bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount
specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the
work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect

Signed and sealed this 31st day of July, 2018

Texana Land & Asphalt, Inc.
(Principal)

By

(SEAL)

Hudson Insurance Company
(Surety)

By

Robert G. Kanuth

Attorney-in-fact

(SEAL)

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)



BID BOND POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That HUDSON INSURANCE COMPANY, a corporation of the State of Delaware, with offices at 100 William Street, New York, New York, 10038, has made, constituted and appointed, and by these presents, does make, constitute and appoint Tony Fierro, Jay Jordan, Johnny Moss, Mistie Beck, Jade Porter, Jeremy Barnett, Robert J. Shuya,

Robert G. Kanuth, Jarrett Willson, Jack Nottingham

of the State of Texas

its true and lawful Attorney(s)-in-Fact, at New York City in the State of New York, each of them alone to have full power to act without the other or others, to make, execute and deliver on its behalf, as Surety, bid bonds for any and all purposes.

Such bid bonds, when duly executed by said Attorney(s)-in-Fact, shall be binding upon said Company as fully and to the same extent as if signed by the President of said Company under its corporate seal attested by its Secretary.

Witness Whereof, HUDSON INSURANCE COMPANY has caused these presents to be of its Senior Vice President thereunto duly authorized, on this 20th day of November, 20 17 at New York, New York.



Attest
Dina Daskalakis, Corporate Secretary

HUDSON INSURANCE COMPANY

By Michael P. Cifone
Michael P. Cifone, Senior Vice President

STATE OF NEW YORK
COUNTY OF NEW YORK SS.

On the 20th day of November, 20 17 before me personally came Michael P. Cifone to me known, who being by me duly sworn did depose and say that he is a Senior Vice President of HUDSON INSURANCE COMPANY, the Company described herein and which executed the above instrument, that he knows the seal of said Company, that the seal affixed to said instrument is the corporate seal of said Company, that it was so affixed by order of the Board of Directors of said Company, and that he signed his name thereto by like order.

(Notarial Seal)



Ann M. Murphy
ANN M. MURPHY
Notary Public, State of New York
No. 01MU6067553
Qualified in Nassau County
Commission Expires December 10, 2021

CERTIFICATION

STATE OF NEW YORK
COUNTY OF NEW YORK

The undersigned Dina Daskalakis hereby certifies:

THAT the original resolution, of which the following is a true and correct copy, was duly adopted by unanimous written consent of the Board of Directors of Hudson Insurance Company dated July 27th, 2007, and has not since been revoked, amended or modified:

"RESOLVED, that the President, the Executive Vice Presidents, the Senior Vice Presidents and the Vice Presidents shall have the authority and discretion, to appoint such agent or agents, or attorney or attorneys-in-fact, for the purpose of carrying on this Company's surety business, and to empower such agent or agents, or attorney or attorneys-in-fact, to execute and deliver, under this Company's seal or otherwise, bonds obligations, and recognizances, whether made by this Company as surety thereon or otherwise, indemnity contracts, contracts and certificates, and any and all other contracts and undertakings made in the course of this Company's surety business, and renewals, extensions, agreements, waivers, consents or stipulations regarding undertakings so made; and

FURTHER RESOLVED, that the signature of any such Officer of the Company and the Company's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seal when so used whether heretofore or hereafter, being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed."

THAT the above and foregoing is a full, true and correct copy of Power of Attorney issued by said Company, and of the whole of the original and that the said Power of Attorney is still in full force and effect and has not been revoked, and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney is now in force.



Witness the hand of the undersigned and the seal of said Company this 31st day of July, 20 18.

By Dina Daskalakis
Dina Daskalakis, Corporate Secretary

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)

1. IMPORTANT NOTICE

To obtain information or make a complaint:

2. You may contact your Bond Agent at 972-772-7220.

3. You may call Hudson Insurance Company's toll-free telephone number for information or to make a complaint at:

1-800-388-3647

4. You may also write to Hudson Insurance Company at:

100 William Street, 5th Floor
New York, NY 10038

5. You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

6. You may write the Texas Department of Insurance:

P. O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

7. PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the (agent) first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

8. ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Puede comunicarse con su agente de union al 972-772-7220.

Usted puede llamar al numero de telefono gratis de Hudson Insurance Company's para informacion o para someter una queja al:

1-800-388-3647

Usted tambien puede escribir a Hudson Insurance Company al:

100 William Street, 5th Floor
New York, NY 10038

Puede Comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P. O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el (agente) primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.



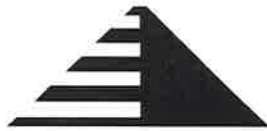
Texana Land & Asphalt, Inc.
2412 CR 1103
Sulphur Springs, Texas 75482
903-243-3409 C
903-438-8161 F

Bidder's Experience Questionnaire

What Projects has your organization completed in Texas and elsewhere?

Contract Amount	Class of Work	Date Completed	Location	Name & Address of Official
\$1,632,328.37	Road Rehabilitation	June 2014	Lamar Co FM 195	TXDOT Rick Floyd 3600 S.W. Loop 286 Paris, TX 75460 (903) 784-1357
\$213,490.52	Street Rehabilitation	September 2013	Pecan Gap	Tom Pruitt, P.E. Hayter Engineering, Inc. 4445 SE Loop 286 Paris, TX 75460 903-785-0303
\$1,090,255.87	Base Repair	March 2013	Rains Co FM 47	TXDOT Joe Airola 1520 W. US 69 Emory, TX 75440-0277 (903) 473-2682
\$710,198.03	Street Improvements	October 2013	Carthage Texas	Stokes & Associates, Inc. Michael Delaney, E.I.T 605 South Main St Henderson, TX 75653 903-657-7558
\$485,456.90	Street Improvements and reconstruction	July 8 th 2015	Mineola Texas Commerce Street	KSA Engineers, Inc. 140 East Tyler Street Suite 600 Longview, TX 75601 John Flahie, CST (903)932-6841
\$1,351,578.66	Road Widening	June 2016	Titus CO FM 1402	TXDT Roger Ledbetter, P.E. 2210 W Ferguson Mt Pleasant, TX 75455 (903)572-8511

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What Projects has your organization completed in Texas and elsewhere?

Contract Amount	Class of Work	Date Completed	Location	Name & Address of Official
\$3,093,915.10	Street Rehabilitation	October 2016	Grayson Co FM 691	TXDOT Aaron Bloom PE 3904 US 75 S Sherman, Texas 75090 (903)892-6529
\$485,376.90	Parking Lot and Road Rehabilitation	July 2015	City of Mineola	KSA/City of Mineola Tracey Hicks 140 East Tyler Suite 600 Longview, TX 75601 (903)581-8141
\$218,683.00	Mill, Cement Treat, & Asphalt Paving City Streets	November 2015	City of Winnsboro Texas	KSA/City of Winnsboro Chris Aylor 140 East Tyler Suite 600 Longview, TX 75601 (903)452-4880
\$1,319,110.00	Parking Lot and Road Rehabilitation	August 2015	Mount Vernon ISD	Gallagher Construction Jason Thorpe 3501 Token Drive, Suite 100 Richardson, Texas 75082 (214)882-1801
\$1,712,908.50	I-20 Paving	September 2015	Smith Co, Van Zandt Co	Fireman Excavation Steve Dolive P.O. Box 275 Seagoville, TX 75159
\$353,297.60	Parking Lot and Road Rehabilitation	April 2016	Grayson Co	Kwikset/Spectrum Brands Derek Birdsong- P.E. 2600 N State HWY 91 Dennison TX, 75020 (580)-916-5539

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What Projects has your organization completed in Texas and elsewhere?

Contract Amount	Class of Work	Date Completed	Location	Name & Address of Official
\$232,152.92	Base Repair and Asphalt Paving	April 2016	Cooke Co	TASWA- Texoma Area Solid Wa Authority 25090 TX-56, Whitesboro, TX 76273 David Clark (817)223-5784
\$817,280.95	Parking Lot and Base	September 2016	Camping World Smith Co	Anchor Contracting, LLC P.O. BOX 1217 SULPHUR SPRINGS TX 75483 (903) 348-1217 Phone CHUCKVITITOW@YAHOO.CC
\$45,799.41	Base Repair and Asphalt Paving	October 2016	Como Tx	KSA/City of Como Chris Aylor 140 East Tyler Suite 600 Longview, TX 75601 (903)452-4880
\$59,746.65	Base Repair and Asphalt Paving	October 2016	Mineola Tx	KSA/City of Mineola Chris Aylor 140 East Tyler Suite 600 Longview, TX 75601 (903)452-4880
\$269,875.83	I-20 Paving	September 2016	Smith Co, Van Zandt Co	IILPA USA, LLC 3815 Timms Street Suite #204 Tyler, Texas 75701 John Moncrief- Project Manager 903-363-9212 (Office)
\$415,623.71	City Streets-Asphalt Paving	July 2016	Fairfield, TX	Hayter Engineering Mike Tibbets, P.E. 4445 SE Loop 286 Paris, TX 75460 903-785-0303 phone mtibbets@haytereng.com

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Texana Land & Asphalt, Inc.
2412 CR 1103
Sulphur Springs, Texas 75482
903-243-3409 C
903-438-8161 F

Bidder's Experience Questionnaire

What Projects has your organization completed in Texas and elsewhere

Contract Amount	Class of Work	Date Completed	Location	Name & Address of Official
\$250,000.00	Cement Treating, Asphalt Paving	August 2016	City of Tool, TX	City of Tool Frank Martin-Street Supervisor 903-880-0319
\$198,259.75	Flex Base, Asphalt Paving	December 2016	City of Detroit TX	Hayter Engineering Mike Tibbets, P.E. 4445 SE Loop 286 Paris, TX 75460 903-785-0303 phone mtibbets@haytereng.com
\$220,000.00	Pavement Repair, Cement Treat	February 2017	City of Mineola TX	KSA/City of Mineola Chris Aylor 140 East Tyler Suite 600 Longview, TX 75601 (903)452-4880
\$527,016.26	Pavement Repair And Fema Repair	May 2017	City of Terrell	Schaumburg & Polk, Inc. Jason Brown P.E. 108 Ida Street, Suite 300 Terrell, TX 75160 (972)563-0205- Phone
\$223,499.57	Cement Stabilize Pavement Repair	June 2017	City of Scurry TX	Daniel & Brown, Inc. 118 McKinney, St Farmersville, TX 75442 (972)784-7777 office
\$2,597,515.32	Cement Stabilize Pavement Repair	June 2017	City of Tool TX	City of Tool Texas Frank Martin-Street Supervisor 903-880-0319
\$869,910.20	Pavement Repair	July 2017	Smith, Gregg, & Van Zandt Co	TXDOT Contract ID: 629851001 Highway: IH0020 District: Tyler County: Van Zandt
\$1,318,956.14	Mill, Cement Stabilize Pavement Repair	November 2017	Sabine River Authority- FNI#SRA171 37	Freese and Nichols, Inc. 4055 International Plaza Ste 200 Fort Worth, TX 76109
\$689,616.72	Mill, Cement Stabilize Pavement Repair	October 2017	City of Mount Pleasant TX	City of Mount Pleasant TX 501 North Madison Avenue Mount Pleasant, TX 75455

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)



Texana Land & Asphalt, Inc.
 2412 CR 1103
 Sulphur Springs, Texas 75482
 903-243-3409 C
 903-438-8161 F

Bidder's Experience Questionnaire

What Projects has your organization completed in Texas and elsewhere

Contract Amount	Class of Work	Date Completed	Location	Name & Address of Official
\$1,494,671.00	Mill, Cement Stabilize Pavement Repair	November 2017	City of Denison	Freese & Nichols, Inc. 2711 N. Haskell, 33rd Floor Dallas, TX 75204 Chris Poteet, P.E. 214-217-2210 (Direct) 214-709-7868 (Mobile)
\$85,000.00	Mill, Cement Stabilize Pavement Repair	December 15 2017	City of Tool	KSA Engineers Chris Aylor Caylor@ksaeng.com City of Tool Texas Frank Martin-Street Supervisor 903-880-0319
\$284,277.00	Mill, Cement Stabilize, Pavement Repair	1 Year Maintenance Contract SIP 2016-2017	City of Sulphur Springs	City of Sulphur Springs David Reed Ph: 903-885-7541 dreed@sulphurspringstx.org 125 South Davis Sulphur Springs, TX 75482
\$287,276.00	Mill, Cement Stabilize, Pavement Repair	1 Year Maintenance Contract SIP 2017-2018	City of Sulphur Springs	City of Sulphur Springs David Reed Ph: 903-885-7541 dreed@sulphurspringstx.org 125 South Davis Sulphur Springs, TX 75482
\$340,000.00	Mill, Cement Stabilize, Pavement Repair	1 Year Maintenance Contract 2017-2018	City of Fate TX	City of Fate Texas Public Works Department 1900 CD Boren Parkway Fate, TX 75087 Scott Monaghan smonaghan@cityoffate.com Kimley-Horn and Associates, Inc

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)



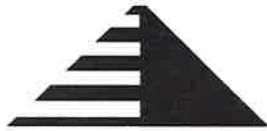
Texana Land & Asphalt, Inc.
2412 CR 1103
Sulphur Springs, Texas 75482
903-243-3409 C
903-438-8161 F

Bidder's Experience Questionnaire

What Projects has your organization completed in Texas and elsewhere

Contract Amount	Class of Work	Date Completed	Location	Name & Address of Official
\$34,880.00	Cement, Prime & Pavement Repair	February 2018	Wood Co	Sun Eagle Bay Home Owners P.O. Box 359 Yantis, TX 75497 Mandi Peninger mandipen7@live.com
\$76,759.00	Mill, Cement Stabilize, Pavement Repair	March 2018	Van Zandt Co	Thompson Airstrip Mark Thompson 903-880-2664 Airmark12@hotmail.com
\$51,044.00	Cement, Prime & Pavement Repair	March 2018	Kaufman Co	City of Terrell 400 Industrial Blvd Terrell TX 75160 Glen Caldwell 972-551-6614 gcaldwell@cityofterrell.org
\$110,173.00	Cement, Prime & Pavement Repair	March 2018	Franklin Co	City of Mount Vernon P.O. Box 597 Mount Vernon, TX 75457 Jeremy Cox 903-537-2252 jeremy@comvtx.com
\$1,495,115.00	Pavement Repair	April 2018	Smith, Gregg, & Van Zandt Co	TXDOT Contract ID: RMC:6315-99-001 Highway: IH0020 District: Tyler County: Van Zandt Contact: Mike Zenoy Mike.zenoy@txdot.gov Fireman Excavation: Steve Dolive (972) 287-7918
\$75,680.00	Pavement Repair	May 2018	Kaufman Co	City of Terrell 400 Industrial Blvd Terrell TX 75160 Glen Caldwell 972-551-6614 gcaldwell@cityofterrell.org
\$241,646.20	Pavement Repair	June 2018	Fannin Co	City of Honey Grove Texas TxCDBG No. 7217201 KSA Engineers David Perkins, P.E. 972-542-2995 dperkins@ksaeng.com

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)



Texana Land & Asphalt, Inc.
2412 CR 1103
Sulphur Springs, Texas 75482
903-243-3409 C
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Bidder's Experience Questionnaire

What Projects has your organization completed in Texas and elsewhere

Contract Amount	Class of Work	Date Completed	Location	Name & Address of Official
\$175,788.00	Paved Parking Lot	June 2018	Grand Saine	Grand Saline ISD 400 Stadium Drive Grand Saline, ISD 75140 Pat O'Donnell 903-962-7546
\$448,000.00	Pavement Repair	May 2018	Smith Co	IILPA USA, LLC 24428 FM 1995 Lindale, Texas 75771 Scott Carthel- Project Manager 903-206-4394 Scott.carthel@iiplusa.com



Texana Land & Asphalt, Inc.
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Bidder's Experience Questionnaire

Page 8 #9. Have you ever performed work for the U.S. Government? If so, when and to whom do you refer? Provide a detailed address.

- Wright Patman Lake-2013-2018
 U.S. Army Corps of Engineers
 Wright Patman Lake Office
 64 Clear Springs Park
 Texarkana, TX 75501
 Contact: Shane O'Conner
- Lake O' the Pine
 U.S. Army Corps of Engineers
 2669 FM 726
 Jefferson, Texas 75657
 Contact: Shane O'Conner
- Cooper Lake- 2011
 U.S. Army Corps of Engineers
 Jim Chapman Lake/Cooper Dam
 828 CR 4795
 Sulphur Springs, Texas 75482
 Contact: Shane O'Conner
- Lake Texoma- Preston Bend Park Road
 US Army Corps of Engineers- Tulsa District
 129 Preston Bend Park Rd,
 Pottsboro, TX 75076
 Contact: Rick Herrick TCS General Contractors
- Sabine River Authority
 Iron Bridge Dam
 P.O. Box 579
 Orange TX, 77631-0579
 (409) 746-2192 FAX: (409) 746-3780
 Contact: Jason Stroval, Rick Traylor



Texana Land & Asphalt, Inc.
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Bidder's Experience Questionnaire

Page 9 #10. Give Names and detailed addresses of all Producers from whom you have purchased principal material from during the last three years

Texas Bit/APAC Texas, Inc. Oldcastle Materials	Asphalt Material	1 Chrisholm Trail Ste. 450 Round Rock, TX 78681 Phone: 214-926-9072- Luke Warner Fax: 469-565-8091 Mariana
Big City Crushed Concrete, L.P.	Rock	P.O. Box 29816 Dallas, TX 75229 972-243-5820
Bryan & Bryan Asphalt Road Oil, Ltd.	MC-50, Oil	P.O. Box 625 Henderson, TX 75653 903-657-2391
Ergon Asphalt and Emulsions, Inc.	Oil,	P.O. Box 1639 Jackson, MS 39215-1639 601-933-3000
Hall Oil	Diesel, Gas	649 Davis St N Sulphur Springs, TX 75482 903-885-3931
LafargeHolcim US Inc.	Lime	P.O. Box 732101 Dallas, TX 75373-2101 Phone: 214-596-0767 E-Mail: Melvin.steinmetz@lafargeholcim.com
Martin Marietta Materials	Rock	P.O. Box 30013 Raleigh, NC 27622-0013 501-624-3688
R.K. Hall, LLC	Asphalt Material	2810 NW Loop 286 Paris, TX 75460 Phone: 903-647-0581- Brandon Gibson Fax: 903-784-7068- Amanda
Texas Lime Company	Lime	15865 Farm Road 1434 Cleburne, TX 76031 Phone: 903-495-3426- Steve Stone E-Mail: rebeccacavazos@uslm.com



Texana Land & Asphalt, Inc.
2412 CR 1103
Sulphur Springs, Texas 75482
903-243-3409 C
903-438-8161 F

Bidder's Experience Questionnaire

Bank Reference:

City National Bank
201 Connally Street
P.O. Box 495
Sulphur Springs, TX 75483

www.bankatcnb.com

Phone #: 903-885-7523
Fax#: 903-885-0853

Contact: Don Sapaugh, Executive Vice President
Secretary: Barbara Potts

Additional Contact: Lance Looney, Vice President



Texana Land & Asphalt, Inc.
 2412 CR 1103
 Sulphur Springs, Texas 75482
 903-243-3409 C
 903-438-8161 F

Equipment Available

1995 Mack Dump Truck
 1M1AA12Y25W043054

1994 Ford Water Truck 2000 Gal
 1FDXK84E7RVA37538

2007 Ford F650 XLS 2000 Gal Water Truck
 3\$RNF65927V509994

2001 Temple Tandem Axel GN Trl
 2711039946

1993 Blaw Knox Paver
 11516-11

2002 IR DD24
 168738

1994 Sakai TS200
 35 Ton Rubber Tire Roller

1997 Komatsu 8 Ton RT Roller
 2056

2005 Volvo BL70 4WD Backhoe
 BL70D10856

2004 Case 570M Grading Tractor
 G0302510

Eversman 6 yd. Pull Scraper
 1896

Case H.D. Disc
 496

68' Trail mobile 6500 Gallon AC Storage Trailer
 E40209

2004 Leeboy 250 Tack Tank
 1961

1997 Ford F800 Dump Truck

2008 Sakai Roller SV505T
 VSV16-50557

2007 SAKAI Roller SV505T
 VSV16-50440

Eager Beaver 35GSL-PT
 112SFZ4588L072742

1999 Cat 650B Paver
 09DN00370

2005 Superior Broom DT80
 805221

2007 CAT RM300
 BWR00331

2009 SAKAI SW654

2001 McClintock Water Wagon
 4MFWB13262W001359

2007 Cat 414E Grading Tractor
 AELB00355

2009 Kubota KX121R Excavator
 71171

2005 Kenworth T800
 1XKDP4TX75J080285

2005 Sakai SW320
 VSW29-30208



Texana Land & Asphalt, Inc.
 2412 CR 1103
 Sulphur Springs, Texas 75482
 903-243-3409 C
 903-438-8161 F

Equipment Available

2011 Dodge 3500 PU (Green)
 3D73Y4CL3BG635091

CAT 140 MRP
 B9D03064

John Deere 450 J Dozer
 SWT0450JX12874

Case 140 Tractor
 #2ABL43043

2012 Rhino TW120 Shredder

2007 Trail King Trailer
 1TKC0272X7M109061

2002 Sterling Bearcat 2000 gal distributor
 2FZAASAK72AK30559

RB48CAT Boom Model 790500
 S/N 485048931

2011 CAT 140 Motor grader
 S/N B9D02366

2006 Sakai Roller GW750
 S/N VGW1-10158

1997 International 4400 Water Truck
 1HTSCABN9VH473261

Ground Shark WT-SSL

2013 Eager Beaver Trailer Model 55GSL-3
 VIN: 112SD553XDL077981

2009 CAT 938 H Loader
 MJC00665

1998 F-Series Water Truck. 5.9 Cummins
 1F09F080C6WBA13980

2009 Sakai Roller Model SV505T
 S/N VSV1650658

2014 CAT Skid steer 299D XHP
 S/N OJST00793

JD 210G Excavator
 1FF210GXKDE521119

2014 Dodge RAMT25- (Adam's Truck)
 3C6UR5FLXEG314125

1999 Blaw Knox PF115 Paver

2014 AP655D MTS Asphalt Paver
 S/N GNZ00516

2016 White Chevy Silverado (Drue's Truck)
 VIN: 1GC4K0E80GF185085

2012 White Dodge Ram (Drue's Truck)
 3C63DPGL5CG302465

DT80 Superior Broom
 805-221

2015 Big Tex Utility Trlr
 16VGX3522G6046334

2016 Chevy Silverado 35 Slate Grey (C.J.'s)
 Vin: 1GC4K1E8XGF107192

2015 Chevy Silverado 35 Ocean Blue(Bryan's)
 Vin: 1GC4K0E89FF679136

2014 Sakai GW750-II
 S/N: 1GW2-20414

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)



Texana Land & Asphalt, Inc.
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 Sulphur Springs, Texas 75482
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Equipment Available

E1250A Weiler Transfer Vehicle S/N: E1250A-1146	2016 Chevrolet Silverado 3500 HD Vin: 1GC4KOE80DF185085
D6T Caterpillar Track Type Tractor S/N: GMK00260	2016 CAT CB36B Compactor Roller S/N: M3600138
JD210K John Deere Landscape Loader S/N: 1T8210KXHEE892085	2008 CAT Telehandler Sky Track S/N: TBY00135
2016 Black GMC Sierra 3500 PU- (Kevin's) 1GT42YE87GF132107	2017 Blue Eager Beaver Trailer Paver Special Vin: 112SE2471HL081696
2016 304E2 HYD Excavator S/N: OME400438	2017 White Chevy Silverado 2500 Vin: 1GCKXEY7HF126113
1990 CAT Scraper 613C S/N: 92X02063	2007 Red GMC Sierra 3500 Vin: 1GDJK34K17E577267
2002 Kenworth T800 1XKDP8TX72J899863	2007 Peterbilt Super Dump Truck #215 VIN: 1X9FDT9XX7D650505
2016 Sakai Double Drum Asphalt Roller SW990 S/N: 4SW67-20115	2017 AP555F TRK Asphalt Paver S/N: AP500158
Warren Cat Light Tower WCW204MH S/N: C13-02-06753	2016 Tack Trailer, 250 Gallon S/N: TT250-1049
2013 CAT Backhoe 430F S/N: 0RGS00417	2016 White Cargo Mate Trailer S/N: 21754
2008 Peterbilt Super Dump Truck #213 VIN: 1XPSPDU9X88D740824	2017 Bear Cat Asphalt Distributor Vin: 2NP2HJ7X0HM448904
2008 Peterbilt Super Dump Truck #214 VIN: 1XPSPDU9X08D740980	2017 ZTM FLATBED TRAILER Vin: 1Z9Z21123HW483009
2016 Land Pride No Till Model 1006NT S/N 945634	2017 Broce CRT350 Broom S/N: 410144
2016 Roadtex SX-6 Soil Reclaimer S/N 116	

Attachment: R14 2018 STREET IMPROVEMENT CONTRACT DOCS (2018 Street Improvements)



Texana Land & Asphalt, Inc.
2412 CR 1103
Sulphur Springs, Texas 75482
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Equipment Available

2012 Caterpillar CT660
Vin: 1HSJKTKT0CJ595252

2018 Kenworth Water Truck
Vin: 2NKLJ0X3JM198248

2017 Sakai GW750-II X/N Compaction Roller
S/N: 1GW2-20473

2017 Volvo Super dump Truck
Vin: 4V5KC9EH4HN981080

2017 CAT 140M LC17
S/N: N9M00499

2017 CAT 950M Wheel Loader
S/N: CDA9 413-5276, 464-2600

2018 Kubota Excavator KX0-4SSA
S/N: 44132



Texana Land & Asphalt, Inc.
2412 CR 1103
Sulphur Springs, Texas 75482
903-243-3409 C
903-438-8161 F

Bidder's Experience Questionnaire

Insurance Agency/Bonding Company

K&s Insurance Agency
2255 Ridge Rd #333
Rockwall, TX 75087

<http://www.kandsins.com/>

Phone #: 972-771-4071
Fax#: 972-771-4695

Contact:

Rob Kanuth	rkanuth@kandsins.com	Phone: 972.772.7238
Cynthia A Kirk	ckirk@kandsins.com	Phone: 972.772.7258
Debbie Kelly	dkelly@kandsins.com	Phone: 972.772.7226

Bonding Company/Surety Company

Hudson Insurance Company – John Dooley Via K&S Insurance

Kevin M. Mohl
 2412 CR 1103
 Sulphur Springs, TX 75482
 (903) 243-3409

Professional Activities

- Owned and managed heavy highway construction company with annual gross receipts exceeding 25 million dollars/year
- Chairman of Joint Industries Committee which consisted of the Director, Deputy Director, and Chief Engineer of the Montana Department of Transportation, as well as 2 additional contractors.
- Treasurer of the Montana Contractors' Association - the Montana Chapter of the National AGC
- Chairman of the Executive Highway Committee for 2 years
- Trustee for the Montana Contractors' Association Health Care & Pension Fund for 12 years, serving as chairman for 3 years. This association provides health insurance and pension for over 3000 employees of Montana contractors with pension investments exceeding 50 million dollars

Employment History

- **Texana Land & Asphalt, Sulphur Springs, TX**
2002 - Present
 Owner and manager of land development and paving company.
- **Construction Consultants, Sulphur Springs, TX**
2002-Present
 Owner. Provide construction consulting services to various companies.
- **Mohl & Scott, Inc.**
2007 - January 1st 2013
 President. Highway construction specializing in surface treatment.
- **JTL Group, Kalispell, MT**
2001-2002
 Project Manager. Estimated and managed heavy highway projects for a company that does 150 million in gross receipts per year in Montana.
- **JTL Group, Kalispell, MT**
2000-2001
 General Manager/Vice-President. Managed the Kalispell Division of JTL with duties that included overseeing estimating and project completion, payables and receivables, as well as the financial status of the company.

Kevin M. Mohl
 2412 CR 1103
 Sulphur Springs, TX 75482
 (903) 243-3409

Employment History Continued

- **A-1 Paving Inc., Kalispell, MT
1986 - 2000**

President. My father and I started our own construction company by buying out the Kalispell branch of American Asphalt Inc. Duties have included project manager on highway projects ranging from asphalt paving overlays to total reconstruction on the interstate highway system. In 1996, I became president of A-1 Paving Inc., with duties that included overseeing 300 employees during peak season, as well as estimating, equipment purchase, banking and bonding. In November, 2000, we sold to MDU Resources - a Fortune 500 Company which is the parent company of JTL Group. I stayed with them for two years in order to facilitate a smooth transition.

Education

- **Eastern Washington University, Cheney WA**

B.A. Business Administration, Minor: Economics, 1981

GPA: 3.40. Major: 3.50. Following graduation, I was accepted to Gonzaga School of Law, which I attended for 1 year, realizing that practicing law was not something I was interested in.

- **Flathead High School, Kalispell, MT
High School Diploma, 1977
GPA: 3.60**

References

- Mark Wissinger, Chief Construction Engineer, *Montana Department of Transportation*, Helena, MT (406) 444-6201
- Cary Hegreberg, Executive Director - *Montana Contractors' Association* (406) 442-4162
- Alan Hobbs, Marketing Manager - *Montana Refining Company* (406) 761-4100



Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Kim Brawner, Director of Engineering
CC: Catherine Oduro, Engineer
Date: August 14, 2018
Re: Water Transmission Improvements Professional Services

Action Requested:

Consider and act to authorize the City Manager to execute Work Order #12 between the City of Celina and Garver, LLC in the amount of \$1,793,044.00 for professional services in relation to the Water Transmission Improvements. (Brawner)

Background Information:

The ongoing water modeling project (Work Order #2) documented an immediate need for upsizing the main transmission pipeline from the Celina Road Pump Station (CRPS) to the Downtown Pump Station (DTPS), as well as a discharge line from the DTPS to E. Sunset Boulevard. These expansions are needed to provide the projected capacity due to planned development. The improvements include approximately 25,700 linear feet of 24 inch to 30 inch water transmission lines and appurtenances.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

2018 Bond Issuance

Legal Review:

N/A

Supporting Documents:

Garver Work Order #12

Staff Recommendation:

Approve



WORK ORDER NO. 12
Owner of Celina
Celina, Texas
Project No. 18088205

This WORK ORDER is made by and between the **Owner of Celina of Celina, Texas**, hereinafter referred to as "Owner," and **GARVER, LLC**, hereinafter referred to as "GARVER", in accordance with the provisions of the MASTER AGREEMENT FOR PROFESSIONAL SERVICES executed on November 10, 2015.

Under this Work Order, the Owner intends to make the following improvements for the **Celina Water Transmission Improvements**.

The ongoing water modeling project (Work Order #2) documented an immediate need for upsizing the main transmission pipeline from the Celina Road Pump Station (CRPS) to the Downtown Pump Station (DTPS), as well as a discharge line from the DTPS to Sunset Boulevard (CIP Projects F, G, and J). These expansions are needed to provide the projected capacity due to planned development. The improvements include approximately 25,700 linear feet of 24 inch to 30 inch water transmission line. The scope of work anticipates the transmission line will be located adjacent to FM428 right-of-way and inside existing Owner easement when possible; however, new easements will be required along the majority of the alignments. An initial route study will be performed to evaluate optimal pipeline location prior to initiating survey and final design.

SECTION 1 - SCOPE OF SERVICES

Task 1.0 Design Management

GARVER shall ensure efficient and effective use of GARVER's and Owner's time and resources. GARVER shall manage change, communicate effectively, coordinate internally and externally as needed, and proactively address issues with the Owner's Project Manager and others as necessary to make progress on the work.

1.1 Project Management

- Lead, manage and direct design team activities
- Ensure quality control is practiced in performance of the work
- Communicate internally among team members
- Task and allocate team resources

1.2 Communication and Reporting

- Attend a pre-design project kickoff meeting with the Owner's staff to confirm and clarify scope, understand Owner objectives, and ensure economical and functional designs that meet the Owner's requirements. The project kickoff meeting will be held at the Owner's location with up to four GARVER staff. GARVER will discuss the project schedule, survey deliverable, and detail the project scope.
- Conduct review meetings with the Owner at the end of each design phase.
- Prepare invoices and submit monthly in the format requested by the Owner.
- Prepare and submit baseline Project Schedule initially, and Project Schedule updates with a schedule narrative monthly.
- Coordinate with other agencies and entities as necessary for the design of the proposed infrastructure, and provide and obtain information needed to prepare the design
- With respect to coordination with permitting authorities, GARVER shall communicate with



permitting authorities such that their regulatory requirements are appropriately reflected in the designs. GARVER shall work with regulatory authorities to obtain approval of the designs, and make changes necessary to meet their requirements, as part of the design scope.

1.3 Assumptions

- 5 meetings with Owner staff
- 12 monthly progress reports will be prepared
- 12 monthly project schedule updates will be prepared

1.4 Deliverables

- Meeting summaries with action items
- Monthly invoices
- Monthly progress reports
- Baseline design schedule
- Monthly schedule updates with schedule narrative describing any current or anticipated schedule changes

Task 2.0 Route Study

The purpose of the Route Study is for GARVER to:

- Study the project,
- Identify one route alternative to develop construction costs, easement needs, impacts to stakeholders, constructability, etc.,
- Identify up to four (4) pipeline materials for consideration.
- Identify TxDOT easements and alignment, including any TxDOT coordination needed
- Identify any railroad easements and anticipated coordination required
- Identify proposed developments and accepted plans of those developments
- Identify any areas containing potential wetland delineation considerations
- Identify any stream crossings and potential USACE coordination
- Present these route alternatives with OPCC to the Owner in the form of a tech memo with associated exhibits.
- Obtain the Owner's endorsement of one route prior to proceeding with Preliminary Design.

2.1 Assumptions

- One route alternative for the alignment from CRPS to the DTPS and one route from the DTPS to Sunset will be investigated. The route from the CRPS to the DTPS is expected to follow the existing 18" alignment east along CR 428, north along CR 428, east along W Sunset Blvd, and north to the DTPS at the railroad tracks. The route from the DTPS is anticipated to follow CIP Project J.

2.2 Deliverables

- Three Technical Memorandums and associated exhibits comparing alternatives.

Task 3.0 Preliminary Design (60 Percent)

The preliminary design will provide 60% sets of drawings and specifications for each construction package (total of three packages), along with opinions of probable construction cost, per the approved Project Schedule. GARVER will develop the preliminary design of the infrastructure as follows.

Development of Preliminary Design Drawings (three total packages) shall include the following:



- Cover Sheet
- Project Control Sheet, showing all Control Points, used or set while gathering data. Generally, on a scale of not less than 1:400. The following information shall be indicated for each Control Point: Identified (existing City Monument #8901, PK Nail, 5/8" Iron Rod); X, Y and Z Coordinates, in an identified coordinate system, and a referred bearing base. Z coordinate on City Datum only; descriptive location.
- Overall project easement layout sheet(s) with property owner information.
- Overall project water layout sheets. The water layout sheet shall identify the proposed water main improvements and existing water mains in the vicinity and all water appurtenances along with pressure plane boundaries, water tanks, pump stations, valves, and fire hydrants.
- Overall water abandonment sheet (Note: existing lines are expected to remain in service following construction).
- Coordinates on all P.C.'s, P.T.'s, P.I.'s, valves, mainline fittings, etc., in the same coordinate system as the Control Points.
- Benchmarks per 1,000 ft of plan/profile sheet – two or more.
- Bearings given on all proposed centerlines, or baselines.
- Plan and profile sheets which show the following: proposed water plan/profile and recommended pipe size, gate valves, isolation valves, existing sample locations, existing fire line locations, existing utilities and utility easements, and all pertinent information needed to construct the project. Legal description (Lot Nos., Block Nos., and Addition Names) along with property ownership shall be provided on the plan view.
- GARVER shall make provisions for reconnecting all identifiable water service lines which connect directly to any main being replaced, including replacement of existing service lines within City right-of-way or utility easement. When the existing alignment of a water line is changed, provisions will be made in the final plans and/or specifications by the GARVER to relocate all service lines which are connected to the existing main and connect said service lines to the relocated main.
- GARVER will prepare standard and special detail sheets for water line installation that are not already included in the Owner's specifications. These may include connection details between various parts of the project, tunneling details, boring and jacking details, waterline relocations, details unique to the construction of the project, trenchless details, and special service lateral reconnections.

3.1 Geotechnical Investigation

GARVER will make recommendations for soil investigations, including field and laboratory tests, borings, and related engineering analysis, GARVER will provide a depth and recommended location for up to 30 bore locations along the project alignment for the Contractor's use in determining soil conditions for preparing bids and a Trench Safety Plan. The geotechnical investigation will be performed by the Owner's on-call provider and is not part of this work order.

3.2 Utility Clearance

GARVER will consult with the Owner's Public Works Department and other City departments, public utilities, private utilities, private utilities and government agencies to determine the approximate location of above and underground utilities, and other facilities (current and future) that have an impact or influence on the project. GARVER will design Owner facilities to avoid or minimize conflicts with



existing utilities, and where known and possible consider potential future utilities in designs.

3.3 Traffic Control Plan

GARVER will develop a standard traffic control plan utilizing standard traffic reroute configurations. Develop supplemental traffic control drawings as needed for review and approval by the Transportation and Public Works Department. These drawings shall be sealed by a professional engineer registered in the State of Texas.

3.4 Assumptions

- Traffic Control "Typicals" will be utilized to the extent possible. It is assumed an additional six (6) project specific traffic control sheets will be developed.

3.5 Deliverable Progress Meetings

1. GARVER will conduct a 60% progress meeting in Celina with up to three (3) GARVER staff at each meeting. The purpose of the meetings is to deliver the contract document submittal at the respective meeting, discuss any significant changes to the design and OPCC, and receive the Owner's comments.

The fee for this meeting is included in Task 1.0.

3.6 Deliverables

The preliminary design phase will represent approximately 60 percent of final construction contract plans. The preliminary design phase submittal will include a submittal of preliminary plans and an opinion of probable construction cost.

The following will be submitted to the Owner, or others as indicated, by GARVER:

1. Three (3) half size (11"x17") copies and a digital copy in PDF format of the Preliminary Design (60%) plans for three (3) design packages
2. Utility Clearance drawings
3. Estimates of probable construction cost
4. Data Base listing names and addresses of residents and businesses affected by the project.

Task 4.0 Final Design

During the final design phase of the project, GARVER will conduct final designs to prepare construction plans and specifications for three (3) construction contracts, including final construction details and quantities, special provisions, and opinions of probable construction cost. The final design phase is anticipated to have two major submittals: 90%, and 100%.

Upon approval of the Preliminary plans, GARVER will prepare construction plans as follows:

- The Contractor will be responsible for preparing and submitting the Storm Water Pollution Prevention Plan (SWPPP) with appropriate regulatory agencies.
- Draft Final plans (90%) and specifications shall be submitted to the Owner per the approved Project Schedule.
- Following a 90% construction plan review meeting with the Owner, the GARVER shall submit Construction Documents (100%) to the Owner. Each plan sheet shall be stamped, dated, and signed by the GARVER registered in State of Texas.
- The GARVER shall submit a final design estimate of probable construction cost with the 90% and 100% design packages.



4.1 Contract Documents

Based upon the results of the approved preliminary design by the Owner, GARVER will develop the detailed plans and specifications as a part of the Final Design for three (3) construction contracts. GARVER will utilize the Owner's Joint Council Documents Committee (EJCDC) standard documents as a base for developing the project's front end documents. The front end documents shall include proposal forms, notice to bidders, bid forms, bond forms, and other information as required by the Owner to competitively bid the work. Jointly agreed-to requirements of the Owner's standard front end documents will be incorporated in the Supplementary Conditions as necessary. EJCDC's standard General Conditions shall be utilized with edits being provided by the Supplementary Conditions. Multiple design scenarios or bid packages and/or pre-purchased equipment packages are not included as part of the level of effort provided with this Agreement.

4.2 Deliverable Progress Meetings

- 4 GARVER will conduct a 90% progress meeting in Celina with up to three (3) GARVER staff at each meeting. The purpose of the meetings is to deliver the contract document submittal at the respective meeting, discuss any significant changes to the design and OPCC, and receive the Owner's comments.
- 5 Upon completion of the 90% progress meeting, GARVER will proceed with regulatory review and coordination (described in the following subtask). The Owner's comments are anticipated within two weeks of each progress meeting.
- 6 Following receipt of Owner's 90% review comments and TCEQ approval, GARVER will prepare 100% deliverables for the Owner to bid the project.

The fee for these meetings is included in Task 1.0.

4.3 Regulatory Review and Coordination

This task will consist of the following:

- GARVER will coordinate submittal of the 90% complete documents to TCEQ for regulatory compliance review and comments.
- GARVER will coordinate and develop responses to regulatory review comments as directed by Owner.

4.4 Deliverables

This task will consist of the following deliverables:

- Three design packages of 90% half-size (11"x17") plans, specifications, and OPCC: Three (3) hard copies of each to the Owner and one (1) hard copy of each to TCEQ.
- Two deliverable progress meetings
- Three design packages of 100% half-size (11"x17") plans, specifications, and OPCC: Three (3) hard copies to the Owner and one hard copy (11"x17") to TCEQ (if requested by TCEQ).



Task 5.0 Bidding Services

This task will accomplish the following for each construction contract (total of three):

5.1 Bidding Assistance

The bidding period for bidders is anticipated to extend for a 30-day duration. During the bidding period phase of the project, GARVER will:

1. Prepare and submit Advertisement for Bids to newspaper(s) for publication as directed by the Owner. Owner will pay advertising costs outside of this contract.
2. Post advertisement for bids, construction contract documents, and any associated information to GARVER's online plan room for download by prospective bidders (at an appropriate cost for handling).
3. Support the contract documents by preparing addenda as appropriate and posting on GARVER's online plan room.
4. Participate in a pre-bid meeting.
5. Prepare a pre-bid meeting memorandum. Following Owner authorization, post the pre-bid meeting memorandum with attendance record on GARVER's online plan room.
6. Participate and chair a construction site tour by interested pre-bid meeting attendees and other interested parties.
7. Attend the bid opening.
8. Prepare bid tabulation.
9. Evaluate bids and recommend award.
10. Prepare construction contracts.
11. Prepare conformed documents (one full size set delivered to Owner).

If the bid phase extends beyond the anticipated 30 days, an additional Amendment will be necessary to extend these services.

Task 6.0 Construction Administration Services

During the construction phase of work, GARVER will accomplish the following for each construction contract (total of three):

1. Issue a Notice to Proceed letter to the Contractor.
2. Attend one preconstruction meeting.
3. Attend one utilities coordination meeting.
4. Attend nine progress/coordination meetings with the Owner/Contractor.
5. Evaluate and respond up to thirty construction material submittals and shop drawings. Additional submittal and shop drawing reviews will be considered Extra Work. Corrections or comments made by GARVER on the shop drawings during this review will not relieve Contractor from compliance with requirements of the drawings and specifications. The check will only be for review of general conformance with the design concept of the project and general compliance with the information given in the contract documents. The Contractor will be responsible for confirming and correlating all quantities and dimensions, selecting fabrication processes and techniques of construction, coordinating his work with that of all other trades, and performing his work in a safe and satisfactory manner. GARVER's review shall not constitute approval of safety precautions or constitute approval of construction means, methods, techniques, sequences, procedures, or assembly of various components. When certification of performance characteristics of materials, systems or equipment is required by



- the Contract Documents, either directly or implied for a complete and workable system, GARVER shall be entitled to rely upon such submittal or implied certification to establish that the materials, systems or equipment will meet the performance criteria required by the Contract Documents.
6. Issue up to fifteen instructions to the Contractor on behalf of the Owner and issue necessary clarifications (respond to RFIs) regarding the construction contract documents. If Garver is requested to respond to additional RFIs, it will be considered Extra Work.
 7. Review up to nine (9) of the Contractor's progress payment requests based on the actual quantities of contract items completed and accepted, and will make a recommendation to the Owner regarding payment. GARVER's recommendation for payment shall not be a representation that GARVER has made exhaustive or continuous inspections to (1) check the quality or exact quantities of the Work; (2) to review billings from Subcontractors and material suppliers to substantiate the Contractor's right to payment; or (3) to ascertain how the Contractor has used money previously paid to the Contractor.
 8. Participate in final project inspection, prepare punch list, review final project closing documents, and submit final pay request.
 9. Prepare and furnish record drawings based on contractor redlines.

The proposed fee for Construction Phase Services is based on a 180-calendar-day construction contract performance time for each construction package. If the construction time extends beyond the time established in this agreement, and the Owner wants GARVER to continue the applicable Construction Phase Services, the Owner will pay GARVER an additional fee agreed to by the Owner and GARVER.

Task 7.0 Row/Easement Services

GARVER will support and perform activities related to ROW and land as outlined below, per scoping direction and guidance from the Owner's Project Manager.

7.1 Right-of-Way Research

The GARVER shall determine rights-of-way; easements needs for construction of the project. Required temporary and permanent easements will be identified based on available information and recommendations will be made for approval by the Owner.

7.2 Right-of-Way/ Easement Preparation and Submittal

The GARVER shall prepare documents to be used to obtain right-of-way and permanent and/or temporary easements required to construct the improvements. GARVER shall submit the right-of-way and/or easement documents to the Owner for property acquisition.

7.3 Temporary Right of Entry Preparation and Submittal

Prior to construction, the GARVER shall prepare and submit Temporary Right of Entry documents for landowners to the Owner for property acquisition. It is assumed that letters will only be required for land owners adjacent to temporary construction easements or who are directly affected by the project and no easement is required to enter their property.

7.4 Assumptions

- 35 Easements or right-of-way documents will be necessary.



- 35 Temporary right-of-entry documents will be necessary.
- No easement acquisition or property acquisition services are included in this task.

7.5 Deliverables

- Easement exhibits and meets and bounds.
- Temporary Right of Entry Letters

Task 8.0 Survey Services

GARVER will provide survey support as follows.

8.1 Design Survey

GARVER will perform field surveys to collect horizontal and vertical elevations and other information needed by GARVER in design and preparation of plans for the project. Information gathered during the survey shall include topographic data, elevations of all sanitary and adjacent storm sewers, rim/invert elevations, location of buried utilities, structures, trees (measure caliper, identify overall canopy, and have qualified arborist identify species of trees), and other features relevant to the final plan sheets. Existing drainage at intersections will be verified by field surveys. Spot elevations will be shown on intersection layouts with cross slope to fit intersecting grade lines.

The minimum survey information to be provided on the plans shall include the following:

- 9.1.1 Digital property map showing lot numbers, property lines, right-of-way lines, and ownership with recording information and addresses.
- 9.1.2 A Project Control Sheet, showing ALL Control Points, used or set while gathering data. Generally, on a scale of not less than 1:400:
- 9.1.3 The following information about each Control Point;
 - a. Identified (Existing. City Monument #8901, PK Nail, 5/8" Iron Rod)
 - b. X, Y and Z Coordinates, in an identified coordinate system, and a referred bearing base. Z coordinate on City Datum only.
 - c. Descriptive Location (Ex. Set in the centerline of the inlet in the South curb line of North Side Drive at the East end of radius at the Southeast corner of North Side Drive and North Main Street).
 - d. Coordinates on all P.C.'s, P.T.'s, P.I.'s, Manholes, Valves, etc., in the same coordinate system, as the Control.
 - e. No less than two horizontal bench marks, per line or location.
 - f. Bearings given on all proposed centerlines, or baselines.

8.2 Assumptions

- No more than 26,800 LF will be surveyed.
- Topographic survey is restricted to a corridor of no more than 100 ft. in width and is limited to the side of the road of the proposed alignment.
- Topographic survey at intersection will include no more than 100 ft. in each direction.

8.3 Deliverables

- Copies of field survey data and notes signed and sealed by a licensed surveyor.
- Drawing of the project layout with dimensions and coordinate list.



Task 9.0 Environmental Services

GARVER will provide environmental services as follows.

9.1 Environmental Services

During the environmental phase of the project, Garver will proceed with the following after approval of the Conceptual Design.

- 9.1.1 Garver will perform a wetlands delineation for areas outside the TxDOT right of way. Garver will submit a wetland report to the US Army Corps of Engineers and request authorization to proceed under a Nationwide 12 permit. Preparation of an individual permit is Extra Work.
- 9.1.2 Garver will prepare and submit initial clearance letters to US Fish and Wildlife Service and State Historic Preservation Office. Work beyond the initial clearance letters (including but not limited to cultural resource survey (archeological), threatened and endangered species surveys, and habitat assessments) is Extra Work.

Task 10.0 Special Services

Additional professional services may be needed during the project timeline. These special services are anticipated to include, but not limited to, subsurface utility engineering as described below. Special services will only be conducted as directed and authorized by the Owner in writing prior to conducting special services work.

10.1 Subsurface Utility Engineering (SUE) – Level A & B

During the route study and Preliminary Design Phases, GARVER may identify utilities in conflict with the proposed water line alignment and, in order to limit contractor's risk during construction and enhance design, locating the utilities (both horizontal and vertical) may be recommended. The decision on utilities to be located will be made with the Owner and work shall be done on a time and materials basis.

10.2 Cathodic Protection Design

During the Final Design Phase, GARVER may identify the need for a project specific cathodic protection design if metallic pipe is the preferred material for the water line construction as identified in the route study and preliminary design phases. The decision to proceed with cathodic protection design will be made with the Owner and work shall be done on a time and materials basis.



SECTION 2 - PAYMENT

For the work described under SECTION 1 - SCOPE OF SERVICES, Tasks 1-10, the Owner will pay GARVER on a lump sum and time and materials basis. The Owner represents that funding sources are in place with the available funds necessary to pay GARVER.

The table below presents a summary of the fee amounts and fee types for this contract. A breakout of costs associated with each Task is provided in Appendix A.

WORK DESCRIPTION	FEE AMOUNT	FEE TYPE
Task 1 – Design Management	\$70,984.00	LUMP SUM
Task 2 – Route Study	\$67,562.00	
Task 3 – Preliminary Design	\$317,144.00	
Task 4 – Final Design	\$345,528.00	
Task 5 – Bidding Services - Package 1	\$40,572.00	
Task 5 – Bidding Services – Package 2	\$39,892.00	
Task 5 – Bidding Services – Package 3	\$40,380.00	
Task 6 – Construction Administration – Package 1	\$145,046.00	T&M
Task 6 – Construction Administration – Package 2	\$148,267.00	
Task 6 – Construction Administration – Package 3	\$147,779.00	
Task 7 – ROW/Easement Services	\$131,234.00	LUMP SUM
Task 8 – Survey	\$130,237.50	
Task 9 – Environmental Services	\$44,392.00	
SUBTOTAL PROFESSIONAL SERVICES	\$1,669,017.50	
Task 10 – Special Services	\$125,000	T&M
TOTAL FEE	\$1,794,017.50	

The amount to be paid under this agreement is \$1,794,017.50.

The Owner will pay GARVER on a monthly basis, based upon statements submitted by GARVER to the Owner indicating the estimated proportion of the work accomplished. Payments not received within 60 days of invoice date will be subject to a one percent monthly simple interest charge. Any unused portion of the fee, due to delays beyond GARVER's control, will be increased 6% annually with the first increase effective on or about July 1, 2020



SECTION 3 – ADDITIONAL SERVICES (EXTRA WORK)

For work not described or included in Section 1 – Scope of Services, Additional Services will be as directed by the Owner in writing for an additional fee as agreed upon by the Owner and GARVER.

The following services are not included as part of the basic services and will be performed at the request of the Owner and with additional compensation:

1. Additional route study alternatives.
2. Geotechnical services aside from recommended depth and location of borings.
3. Negotiation of easements or property acquisition.
4. Services related to development of the Owner's project financing and/or budget.
5. Services related to disputes over pre-qualification, bid protests, bid rejection and re-bidding of the contract for construction.
6. Construction inspection services.
7. Periodic site visits during construction phase.
8. Design phase public meetings.
9. Performance of materials testing or specialty testing services.
10. Services necessary due to the default of the Contractor.
11. Services related to damages caused by fire, flood, earthquake or other acts of God.
12. Services related to warranty claims, enforcement and inspection after final completion.
13. Services related to Subsurface Utility Engineering Levels A, B, C or D
14. Services related to Survey Construction Staking
15. Services to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by the Owner.
16. Performance of miscellaneous and supplemental services related to the project as requested by the Owner.
17. Utility relocation coordination or design.
18. Redesign or surveying for the Owner's convenience or due to changed conditions after previous alternate direction and/or approval.
19. Submittals or deliverables in addition to those listed herein.
20. Construction materials testing.
21. Environmental Handling and Documentation beyond those previously identified, including work related to environmentally or historically (culturally) significant items.
22. Extra Meetings.



SECTION 4 – SCHEDULE

The following schedule details the anticipated milestones and delivery dates for each deliverable.

Work Item	Duration from Notice to Proceed
Task 1 – Design Management	Concurrent with subsequent tasks
Task 2 – Route Study	15 days from Notice to Proceed
Task 3 – Preliminary Design (60%) – Package 1	45 days from approval of Route Study
Task 3 – Preliminary Design (60%) – Package 2	105 days from approval of Route Study
Task 3 – Preliminary Design (60%) – Package 3	165 days from approval of Route Study
Task 4 – Final Design (90%) – Package 1	15 days from approval of 60% Design
Task 4 – Final Design (90%) – Package 2	30 days from approval of 60% Design
Task 4 – Final Design (90%) – Package 3	60 days from approval of 60% Design
Task 4 – Final Design (100%) – Package 1	15 days from approval of Final Design (90%)
Task 4 – Final Design (100%) – Package 2	15 days from approval of Final Design (90%)
Task 4 – Final Design (100%) – Package 3	15 days from approval of Final Design (90%)
Task 5 – Bidding Services	45 days from approval of Final Design (100%) for each bid package
Task 6 – Construction Services	180 days from Contractor's Notice to Proceed
Task 7 – Geotechnical Coordination	Starting upon approval of Route Study
Task 7 – Property Acquisition Documents	21 days from approval of Preliminary Design
Task 8 – Survey and SUE Services	30 days from approval of Route Study
Task 9 – Environmental Services	30 days from approval of Route Study



This Agreement may be executed in two (2) or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Approval and acceptance of this Work Order shall incorporate this document as part of the Agreement. GARVER is authorized to begin performance upon receipt of a copy of this Work Order signed by the Owner. The effective date of this Work Order shall be the last date written below.

City of Celina

GARVER, LLC

By: _____
Signature

By: _____
Signature

Name: _____
Printed Name

Name: _____
Printed Name

Title: _____

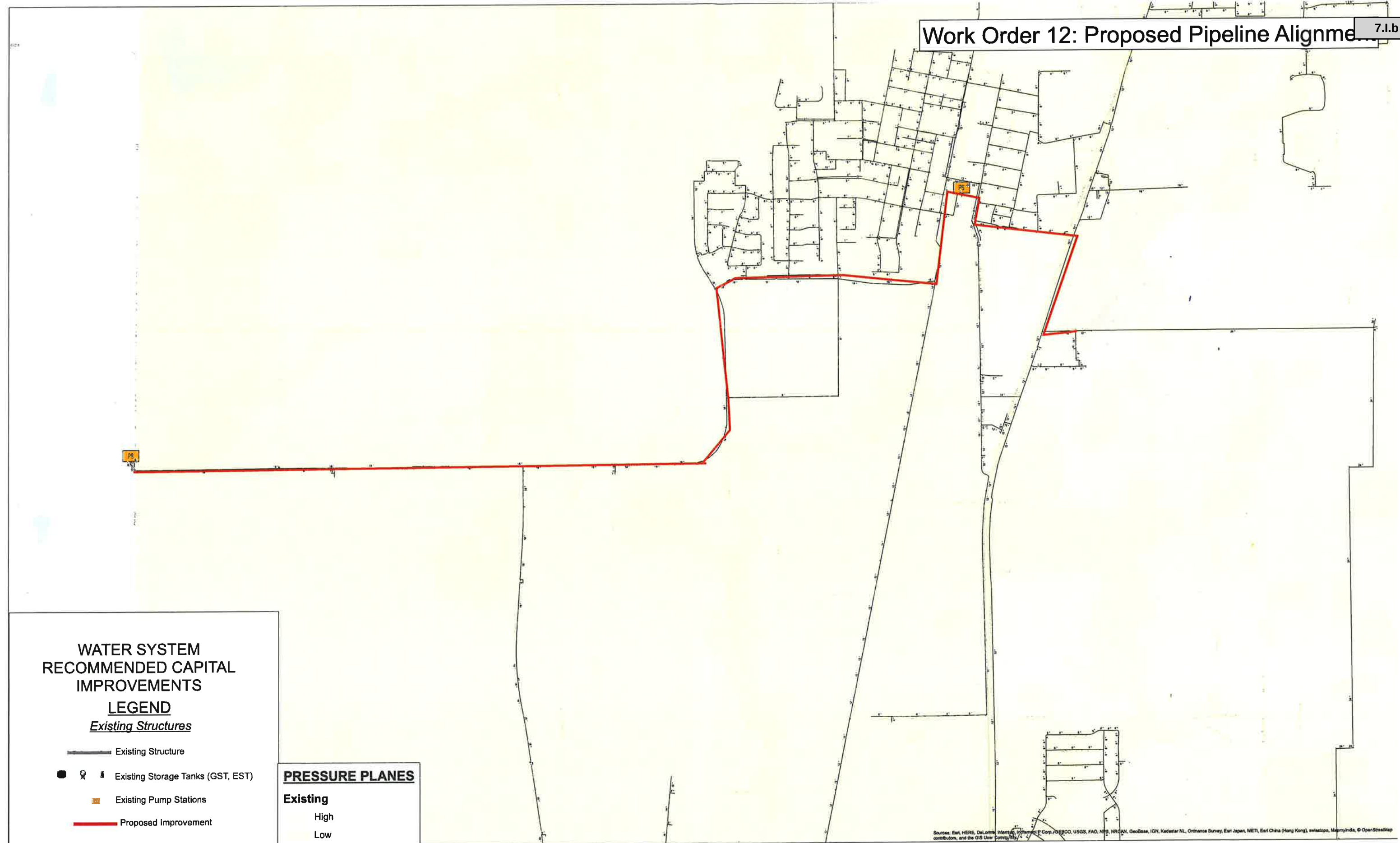
Title: _____

Date: _____

Date: _____

Attest: _____

Attest: _____



WATER SYSTEM
RECOMMENDED CAPITAL
IMPROVEMENTS

LEGEND

Existing Structures

- Existing Structure
- Existing Storage Tanks (GST, EST)
- Existing Pump Stations
- Proposed Improvement

PRESSURE PLANES

- Existing
- High
- Low

JOB NO.: 16088050
DATE: AUGUST 2017
DESIGNED BY: EMT
DRAWN BY: TCR



0 0.25 0.5 1 Miles



CITY OF CELINA
CELINA, TEXAS
WATER & WASTEWATER MODELING AND
CIP REPORT EXHIBITS

3010 Gaylord Parkway
Suite 190
Frisco, TX 75034
(972) 377-7480





Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Kim Brawner, Director of Engineering
CC: Catherine Oduro, Engineer
Date: August 14, 2018
Re: Fair Housing Ordinance amendment

Action Requested:

Consider and act upon an ordinance of The City Council of the City Of Celina, Texas, Amending The City's Code Of Ordinances, Chapter1 General provisions; Article 1.09 Discrimination; Division 2 Fair Housing (Brawner)

Background Information:

As part of the Texas Capital Development Block Grant (TxCDBG) which was awarded the City in 2017, the City is to amend its Fair Housing Ordinance to include "handicap and familial status" as protected classes. These classes were added after the City adopted the ordinance in 2004.

Financial Considerations:

N/A

Legal Review:

Reviewed and Approved by City Attorney

Supporting Documents:

Amended Ordinance

Staff Recommendation:

Approve

CITY OF CELINA, TEXAS

ORDINANCE NO. 2018-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, AMENDING THE CITY'S CODE OF ORDINANCES; CHAPTER 1 GENERAL PROVISIONS; ARTICLE 1.09 DISCRIMINATION; DIVISION 2 FAIR HOUSING; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FOR FINDINGS; PROVIDING FOR AMENDMENT TO THE CODE OF ORDINANCES; PROVIDING FOR A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; 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 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, all legal notices, requirements and conditions were fulfilled prior to passing of this Ordinance; and

WHEREAS, the City has determined that it is necessary to amend its regulations regarding fair housing in order to comply with current federal standards.

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
FINDINGS

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

SECTION 3
AMENDMENTS

- 3.01 That the City of Celina Code of Ordinances, Chapter 1: General Provisions; Article 1.09, Discrimination; Division 2, Fair Housing, Section 1.09.031, Definitions is hereby amended by adding the following terms to be alphabetized with existing defined terms:

“Familial status means one or more individuals (who have not attained the age of 18 years) being domiciled with a parent or another person having legal custody of such individual or individuals; or the designee of such parent or other person having custody, with the written permission of such parent or other person. The protections afforded against discrimination on the basis of familial status shall apply to any person who is pregnant or is in the process of securing

legal custody of any individual who has not attained the age of 18 years.

Handicap means, with respect to a person, a physical or mental impairment which substantially limits one or more of such person's major life activities; a record of having such an impairment; or being regarded as having such an impairment, but such term does not include current, illegal use of or addition to a controlled substance (as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802))."

- 3.02 That the City of Celina Code of Ordinances, Chapter 1: General Provisions; Discrimination; Division 2, Fair Housing, Section 1.09.033, Discrimination in sale of rental of housing is hereby amended to read as follows:

"Sec. 1.09.033 Discrimination in sale or rental of housing

Except as exempted by section 1.09.036, it shall be unlawful for any person to:

- (1) Refuse to sell or rent, after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, sex, religion, familial status, handicap, or national origin;
- (2) Discriminate against any person in the terms, conditions or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, sex, religion, familial status, handicap, or national origin;
- (3) Make print, publish, or cause to be made, printed or published, any notice, statement, or advertisement regarding the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, sex, religion, familial status, handicap, or national origin, or an intention to make any such preference, limitation or discrimination;
- (4) Represent to any person because of race, color, sex, religion, familial status, handicap, or national origin that any dwelling is not available for inspection, sale or rental when such dwelling is in fact so available;
- (5) For profit, or with the hope or expectation of profit, induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, sex, religion, familial status, handicap, or national origin;
- (6) For profit, or with the hope or expectation of profit, influence or attempt to influence, by any words, acts, or failure to act, any seller, purchaser, landlord or tenant of a dwelling so as to promote the maintenance of racially segregated housing or as to retard, obstruct or discourage racially integrated housing."

- 3.03 That the City of Celina Code of Ordinances, Chapter 1: General Provisions; Discrimination; Division 2, Fair Housing, Section 1.09.034, Discrimination in financing of housing is hereby amended to read as follows:

"Sec. 1.09.034 Discrimination in financing housing

It shall be unlawful for any bank, building and loan association, insurance company or other corporation, association, firm or enterprise whose business consists in whole or in part of the making of commercial or residential real estate loans to deny a loan or other financial assistance to a person applying

therefor for the purpose of purchasing, constructing, improving, repairing or maintaining a dwelling, or to discriminate against any such person in the fixing of the amount, interest rate, brokerage points, duration, or other terms or conditions of such loan or other financial assistance, because of:

- (1) The race, color, sex, religion, familial status, handicap, or national origin of such person or of any person associated with him or her in connection with such loan or other financial assistance; or
- (2) The race, color, sex, religion, familial status, handicap, or national origin of the present or prospective owners, lessees, tenants, or occupants of the dwelling or dwellings for which such loan or other financial assistance is to be made or given.”

- 3.04 That the City of Celina Code of Ordinances, Chapter 1: General Provisions; Discrimination; Division 2, Fair Housing, Section 1.09.035, Discrimination in provision of brokerage services is hereby amended to read as follows:

“Sec. 1.09.035 Discrimination in provision of brokerage services

It shall be unlawful for any person to deny access to or membership or participation in any multiple listing service, real estate brokers’ organization or other service, organization or facility relating to the business of selling or renting dwellings, or to discriminate in the terms or conditions of such access, membership or participation, on account of race, color, sex, religion, familial status, handicap, or national origin.”

- 3.05 That the City of Celina Code of Ordinances, Chapter 1: General Provisions; Discrimination; Division 2, Fair Housing, Section 1.09.036, Exemptions and exclusions , subsection (b) is hereby amended to read as follows:

“(b) Nothing in this provision shall prohibit a religious organization, association, or society or any nonprofit institution or organization operated, supervised, or controlled by or in conjunction with a religious association or society from limiting the sale, rental, or occupancy of dwellings which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on account of race, color, sex, familial status, handicap, or national origin.”

- 3.06 That all other portions of Chapter 1 General Provisions; Article 1.09 of the City of Celina Code of Ordinances are hereby affirmed.

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 discrimination or fair house regulatory within the City of Celina, 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

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.

SECTION 7
ENGROSSMENT AND ENROLLMENT

The City Secretary of the City of Celina is hereby directed to engross and enroll this Ordinance by copying the exact Caption and Effective Date clause 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 8
EFFECTIVE DATE

This Ordinance shall be in full force and effect 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 _____ day of _____, 2018.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

Vicki Faulkner, City Secretary
City of Celina, Texas

[SEAL]

APPROVED AS TO FORM:

Lance Vanzant, City Attorney
City of Celina, Texas



Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Kim Brawner, Director of Engineering
CC: Swapna Konda, Engineer
Date: August 14, 2018
Re:

Action Requested:

Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and Dunkin, Sims, and Stoffels, Inc. for \$928,014.00 for the design of Old Celina Park.

Staff Recommendation:

AIA[®] Document A201[™] – 2007

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address)

Old Celina Park
FM 428 and FM 455
Celina, TX 75009

THE OWNER:

(Name, legal status and address)

City of Celina, Texas
142 N. Ohio
Celina, TX 75009

THE ARCHITECT:

(Name, legal status and address)

Dunkin Sims Stoffels, Inc.
622 W. State Street
Garland, TX 75040

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

In the interest of brevity the Contract Documents frequently omit modifying words such as “all” and “any” and articles such as “the” and “an,” but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 The Architect and the Architect’s consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect’s or Architect’s consultants’ reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect’s consultants.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner’s approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term “Owner” means the Owner or the Owner’s authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic’s lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner’s interest therein.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner’s obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner’s ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any loss or damage arising solely from those Owner-required means, methods, techniques, sequences or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 **Concealed or Unknown Conditions.** If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct,

but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1 Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to the proposed superintendent or (2) that the Architect requires additional time to review. Failure of the Architect to reply within the 14 day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect's approval. The Architect's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled

to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.13 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce

other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the

Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term “Sub-subcontractor” is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a separate contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a separate contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

- .1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
- .2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 MINOR CHANGES IN THE WORK

The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control; or by delay authorized by the Owner pending mediation and arbitration; or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.2 SCHEDULE OF VALUES

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor

shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.3.1.5 and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a

bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable,

and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

§ 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- .1 Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
- .2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- .3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- .4 Claims for damages insured by usual personal injury liability coverage;
- .5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- .6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- .7 Claims for bodily injury or property damage arising out of completed operations; and
- .8 Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.3 PROPERTY INSURANCE

§ 11.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project.

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

§ 11.3.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance that will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.3.1.3 If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE

The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.3.3 LOSS OF USE INSURANCE

The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused.

§ 11.3.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final

payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 11.3.7 WAIVERS OF SUBROGATION

The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the Owner as fiduciary shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the arbitrators.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary

by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 13.7.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency that requires all Work to be stopped;
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 The Owner has failed to furnish to the Contractor promptly, upon the Contractor's request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Initial Decision Maker that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 CLAIMS

§ 15.1.1 DEFINITION

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 15.1.2 NOTICE OF CLAIMS

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.6 shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION

§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 CONSOLIDATION OR JOINDER

§ 15.4.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Contractor under this Agreement.



CITY OF CELINA, TEXAS

ARCHITECTURAL SERVICES AGREEMENT

For the consideration hereinafter set forth, Dunkin Sims Stoffels, Inc. (“Architect”), a Texas corporation with an office in Dallas, Texas, agrees to provide architectural services to the CITY OF CELINA, TEXAS (“Celina” or “Owner”), for the project(s) and work identified in this Architectural Services Agreement (“Agreement”). This Agreement is effective as of August 7, 2018, and unless earlier terminated pursuant to the provisions hereof, shall continue through the completion of performance of the Work specified hereunder.

WHEREAS, Owner desires to obtain professional architectural services from Architect for Old Celina Park Expansion (“Project”); and

WHEREAS, Architect is an landscape architectural firm selected to provide such services, based upon the landscape architect’s municipal experience, references and qualifications, and is willing to undertake the performance of such services for Owner in exchange for payment and fees as hereinafter specified.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Contract Documents, and subject to the terms and conditions hereinafter stated, Owner and Architect do mutually agree as follows:

ARTICLE 1. CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE

The term “Contract Documents” shall include and consist of the following documents:

1. This Agreement;
2. Dunkin Sims Stoffels, Inc., dated August 1, 2018
3. Standard Form of Agreement Between Owner and Architect, AIA Document B101-2007, attached thereto;
4. General Conditions of the Contract for Construction, AIA Document A201-2007;
5. Supplementary Conditions to AIA Documents B101-2007, and AIA Document A201-2007; and
6. Other amendments and/or modifications to the above documents as are agreed upon by Architect and Owner.

These Contract Documents are incorporated by reference into this Agreement as if set out herein in their entirety. The Contract Documents are intended to be complimentary; what is called for by one document shall be as binding as if called for by all Contract Documents. It is specifically provided, however, that in the event of any inconsistency in the Contract Documents, the inconsistency shall be resolved by giving precedence to the Contract Documents in the order in which they are listed above.

ARTICLE 2. EMPLOYMENT OF ARCHITECT

Architect will perform as an independent contractor all services under this Agreement to the prevailing professional standards consistent with the level of care and skill ordinarily exercised by members of the architectural profession, both public and private, currently practicing in the North Texas area under similar conditions including, but not limited to, the exercise of reasonable, informed judgments and prompt, timely action. If Architect is representing that it has special expertise in one or more areas to be utilized in this Agreement, then Architect agrees to perform those special expertise services to the appropriate local, regional and national professional standards.

ARTICLE 3. SCOPE OF SERVICES

Architect shall perform such services as are necessary to the Project specifically including, but not necessarily limited to, the tasks enumerated more fully in the Contract Documents.

ARTICLE 4. ARCHITECT'S LIABILITY

A. Acceptance of the final plans, instruments of service, or other deliverable documents and products by Owner shall not constitute nor be deemed a release of the responsibility and liability of Architect, its employees, associates, agents or consultants for the accuracy and competency of their designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by Owner for any defect in the designs, working drawings, specifications or other documents and work prepared by said Architect, its employees, associates, agents or subconsultants.

B. If at any time during the term of this Agreement, Architect shall fail to commence the Work in accordance with the provisions of this Agreement or fail to diligently provide services in an efficient, timely and careful manner and in strict accordance with the provisions of this Agreement or fail to use an adequate number of quality or quality of personnel to complete the Work or fail to perform any of its obligations under this Agreement, then Owner shall have the right, if Architect shall not cure any such default after thirty (30) days written notice thereof, to terminate this Agreement. Any such act by Owner shall not be deemed a waiver of any other right or remedy of Owner. If, after exercising any such remedy due to Architect's non-performance under this Agreement, the cost to Owner to complete the Work to be performed under this Agreement is in excess of that part of the Agreement sum which has not theretofore been paid to Architect hereunder, Architect shall be liable for and shall reimburse Owner for such excess.

C. Owner may deduct from any amounts due or to become due to Architect any sum or sums owing by Architect to Owner. In the event of any breach by Architect of any provision of this Agreement or in the event of any claim against Owner arising out of Architect's performance under this Agreement, Owner shall have the right to retain out of any payment due or to become due to Architect an amount determined by Owner to be sufficient to protect Owner

from any and all loss, damage or expense therefrom, until the breach or claim has been satisfactorily remedied or adjusted by Architect.

ARTICLE 5. CONFIDENTIAL INFORMATION

Architect hereby acknowledges and agrees that its representatives may have access to or otherwise receive information during the furtherance of its obligations in accordance with this Agreement, which is of a confidential, non-public or proprietary nature. Architect shall treat any such information received in full confidence and will not disclose or appropriate such confidential information for its own use or the use of any third party at any time during or subsequent to this Agreement. As used herein, "confidential information" means all oral and written information concerning Owner, its affiliates and subsidiaries, and all oral and written information concerning Owner, or its activities, that is of a non-public, proprietary or confidential nature including, without limitation, information pertaining to customer lists, services, methods, processes and operating procedures, together with all analyses, compilation, studies, or other documents, whether prepared by Architect or others, which contain or otherwise reflect such information. The term "confidential information" shall not include such materials that are or become generally available to the public other than as a result of disclosure by Architect, or are required to be disclosed by a governmental authority under applicable law.

ARTICLE 6. INDEMNITY

Notwithstanding any other provision in the Contract Documents to the contrary:

- A. Architect shall defend, indemnify and hold harmless Owner, its City Council, officers, employees and agents from and against all citations, claims, costs, damages, demands, expenses, fines, judgments, losses, penalties or suits, which in any way arise out of, relate to, or result from the performance of the Work or which are caused by the intentional acts or negligent acts or omissions of Architect or its subcontractors, and any other third parties for whom or which Architect is legally responsible (the "Indemnified Items"). By way of example, the Indemnified Items may include personal injury and death claims and property damage claims, including those for loss of use of property. Indemnified Items shall include attorney's fees and costs of court, court costs, and settlement costs. Indemnified Items shall also include any expenses, including attorney's fees and expenses, incurred by an indemnified individual or entity in attempting to enforce this indemnity.
- B. In its sole discretion, the City shall have the right to approve counsel to be retained by Architect in fulfilling its obligation to defend and indemnify the City. Architect shall retain approved counsel for the City within seven (7) business days after receiving written notice from the City that it is invoking its right to indemnification under this Agreement. If Architect does not retain counsel for the City within the required time, then the City shall have the right to retain counsel and the Architect shall pay these attorney's fees and expenses. The City retains the right to provide and pay for any and all costs of defending Indemnified Items, but it shall not be required to do so.
- C. The obligations set forth in this Article shall survive the expiration or termination of this Agreement.

- D. Architect shall cause all contracts for subcontracted services to include a like indemnity that shall cover both the Owner and Architect. Nothing herein shall limit the insurance requirements or applicability of same set forth in this Agreement and the Contract Documents.
- E. The above indemnity is a business understanding between the parties and applies to all different theories of recovery, including breach of contract or warranty, tort including negligence, statutory liability or any other cause of action (subject to the limitations in Texas Local Government Code, § 271.904(a) and Texas Civil Practice and Remedies Code, § 130.002(b)).

ARTICLE 7. MISCELLANEOUS

§7.1 Severability

If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceable provisions shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein; and it is the intention of the parties that in lieu of each provision that is found to be illegal, invalid, or unenforceable, the parties seek to reasonably negotiate a new provision to this Agreement which is legal, valid, and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

§7.2 Notice

Except as otherwise provided in this Agreement or the Contract Documents, all notices and other communications required or permitted to be given under this Agreement, shall be in writing, addressed to the parties at their respective addresses as provided below, and may be delivered in person, sent by overnight express mail or courier service, or by certified mail, postage prepaid, return receipt requested. The addresses of each party are as follows:

If to the Owner:	City of Celina City Manager 142 N. Ohio Street Celina, Texas 75009
If to Architect:	Dennis Sims, RLA Dunkin Sims Stoffels, Inc. 622 W State Street Garland, TX 75040

Each party may from time to time change its address for receipt of notices by sending notice thereof in the manner provided herein to the other party. Each notice given by certified mail shall be deemed delivered on the date of delivery as shown on the return receipt, or if delivery is attempted, at the last address specified and the notice is returned, notice shall be deemed delivered on the date the notice was originally sent. Each notice delivered in any other manner shall be deemed delivered as of the time of actual receipt thereof. The parties acknowledge and agree to provide to the other party within seventy-two (72) hours of transmission such notice documents bearing the original signatures.

§7.3 Unsatisfactory Work

Nothing contained in this Agreement shall require Owner to pay for any work that is unsatisfactory as determined by Owner or which is not submitted in compliance with the terms of this Agreement, nor shall such failure to withhold payment pursuant to the provisions of this Section constitute a waiver of any right, at law or in equity, which Owner may have if Architect is in default, including the right to bring legal action for damages or for a specific performance of this Agreement.

§7.4 No Respondeat Superior

Architect will have exclusive control of and the exclusive right to control the details of the Work performed hereunder, and shall be liable for the acts and omissions of its officers, agents, employees, contractors, subcontractors and engineers, and the doctrine of *respondeat superior* shall not apply as between Owner and Architect, its officers, agents, employees, contractors, subcontractors and engineers, and nothing herein shall be construed as creating a partnership or joint enterprise between Owner and Architect.

§7.5 Conflict of Interest

Architect covenants and agrees that Architect and its associates and employees will have no interest, and will acquire no interest, either direct or indirect, which will conflict in any manner with the performance of the services called for under this Agreement. All activities, investigations and other efforts made by Architect pursuant to this Agreement will be conducted by employees, associates or subcontractors of Architect.

§7.6 Non-Waiver

The failure of either party to insist upon or enforce strict performance by the other party of any provision of this Agreement, or to exercise any right under this Agreement, shall not be construed as a waiver or relinquishment to any extent of any such party's right to assert or rely upon any such provision or right in that or any other instance, rather, the same shall be and remain in full force and effect.

§7.7 Signatures

The undersigned officers and/or agents of the parties hereto are the properly authorized persons and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary motions, resolutions or other act extending such authority have been duly passed and are now in full force and effect.

IN WITNESS WHEREOF, the parties execute below:

CITY OF CELINA, TEXAS

[ARCHITECT NAME]

Jason Laumer, City Manager

Dennis Sims, RLA

Date: _____

Date: 8/8/18



LANDSCAPE ARCHITECTS / PLANNERS

August 1, 2018

Ms. Kimberly Brawner
 Director of Engineering
 City Engineer
 City of Celina
 142 N. Ohio Street
 Celina, Texas 75009

Dear Ms. Brawner:

We appreciate the opportunity to submit this Scope of Services for the Old Celina Park Expansion in Celina, Texas. This proposal is being submitted for your review and approval. This Scope of Services is divided into two Phases: Phase I – Basic Design Services and Construction Documents for Phase I; and Phase II – Additional Services related to the project.

Dunkin Sims Stoffels, Inc. and City Staff have met over the last year to discuss the Old Celina Park Expansion. Conceptual plans and preliminary cost estimates were prepared for discussion and to determine the scope of services. The following program elements for the park were presented:

- Lighted Soccer Fields
- Lighting for Existing Soccer Fields
- Lighted 4-Plex Softball / Baseball Fields (Artificial Turf)
- Parking Lots / Access Drives
- Hard and Soft Surface Trail
- Restroom / Concession Building
- Pond Design
- Utilities (Water, Sewer, Electrical)

Based on these meetings this proposal will outline the scope of services for preparation of the necessary studies and obtain the required permits and prepare the construction documents and specifications for construction of the park.

PHASE I – BASIC DESIGN SERVICES & CONSTRUCTION DOCUMENTS FOR PHASE I

Design Development Services

An opinion of probable cost for construction has been prepared for the program elements identified by the City for construction in this phase of the project. We have based our fee on the estimated construction amount presented in Preliminary Cost Estimate with Baseball / Softball Artificial Turf dated August 1, 2018 which is \$11,143,935.00.

Attachment: Architectural Services Agreement (Old Celina Park Design Contract)

The services in this phase are divided into three sections: (1) Construction Documents and Specifications; (2) Bidding and Contract Award; (3) Construction Manager at Risk; and (4) Construction Administration. Each section sets forth the services to be performed.

Old Celina Park Expansion Master Plan

This proposal is based on the Master Plan and Preliminary Cost Estimate passed by the City Council. (Reference Scope of Services dated 6/6/2018 attached). An opinion of probable cost for construction of the park will be developed as the project progresses through the design development phases.

Construction Documents and Specifications

Construction documents and specifications will be prepared for the park elements outlined in the Opinion of Probable Cost for construction dated August 1, 2018 (see attached). The consulting team will perform the following tasks in this section of the project:

- Grading Plan(s), which will establish grades for all elements of the project.
- Parking Lots and Interior Park Roads / Access Roads
- Storm Sewer / Site Drainage
- Design for 4-Plex Artificial Turf
- On-Site Utilities Including Extension of 18" Water Line (Water, Sewer, Electric)
- Playground Structures (if any)
- Hike and Bike Trail Design
- Soccer Fields / Open Play Areas
- Layout Plan(s) locating by dimensions all structures, walks, foul lines, fence lines, planting areas, etc.
- Restroom / Concession Building (On-Site Construction)
- Sports lighting for existing fields and pedestrian and parking lot lights plan for the complex.
- Irrigation Plan(s) showing the location of all heads, pipe, valves, pumps, and controls.
- Construction Details providing plans, sections, elevations of the individual elements of the plan.
- Prepare proposal forms and appropriate add or deduct alternates.
- Prepare the project manual in conjunction with the Construction Manager at Risk (CMR).

Bidding and Contract Award

The Consultant will be responsible for the following tasks in this phase:

- Answer questions and interpret drawing during the bidding period.
- Assist the City in assessing bids.
- Prepare and distribute any required addendum.
- Attend the bid opening and prepare a bid tabulation sheet for completion at the bid opening.
- Analyze the bids and make a written recommendation to the City for awarding a contract.

Construction Manager at Risk

Should the City elect to construct the park utilizing the Construction Manager at Risk we can prepare the advertisement for selection of Construction Manager at Risk (CMR). This is a document which is prepared and used to solicit proposals for selection of the CMR.

Dunkin Sims Stoffels, Inc. will assist the City in reviewing the proposals and determining the most qualified for CMR and will participate with the City during the interviews/interview process of the Construction Manager Firm.

Construction Administration

We will perform the following tasks during the phase of the project.

- Consultation and advice to the City.
- Preparation of elementary and supplementary sketches required to resolve field conditions.
- Approval of submittals and shop drawings submitted by contractors for conformance with the design concept.
- The consulting team shall make periodic site visits to determine if the project is proceeding in accordance with the contract documents. The consulting team shall not be responsible or liable for the Contractor's failure to perform the construction work in accordance with the contract documents.
- Review and approval of all certificates for payment submitted by the Contractor.
- Prepare Change Orders for the City's approval and execution.
- Coordinate final site walk through with the City at the conclusion of the construction and provide a punch list to Contractor to complete the project.

PHASE II – ADDITIONAL SERVICES

Final Plat or Replat for Park Expansion

The recent park land acquisition of approximately 19.00 Acres will be platted. Staff and Mr. Gary Hendricks will jointly decide if the new park land should be replatted with Phase I or a new plat for the 19.00± Acres. We would recommend the City budget \$7,500.00 for this task.

Geotechnical Report

A geotechnical report will provide soil analysis and recommendation for the construction of various elements in the park. Based on our experience, we recommend that the City allow \$12,000.00 for this report.

REIMBURSABLE EXPENSES

Plan and Specification Reimbursables

The Consultant will invoice the City at cost for all out-of-house printing of plans, specifications and plotting of AutoCAD files. Requested mounting or laminating of master plans will also be invoiced at the incurred cost.

In-house printing of check prints for use in preparing the construction documents are included in the basic design services.

Postage and delivery expenses will not be invoiced during the Design Phase of the contract. Courier, express mail, or overnight delivery charges, as well as, the cost of mailing sets of contract documents to prospective bidders will be charged to the City. We would recommend the City budget \$15,000.00 for this task.

Texas Department of Licensing and Regulation Fee

The City should budget \$2,000.00 for plan review and inspection fees for ADA compliance.

SUMMARY OF FEES

Phase I – Basic Design Services & Construction Documents for Phase I \$ 891,514.00
(Based on Construction Budget of \$11,143,935.00)

Phase I Total: \$ 891,514.00

Phase II – Additional Services

Plat or Replat of Park Addition \$ 7,500.00
Geotechnical Report \$ 12,000.00

Additional Services Total: \$ 19,500.00

Reimbursable Expenses

Plan and Specification Reimbursables \$ 15,000.00
TDLR Fees \$ 2,000.00

Reimbursable Expenses Total: \$ 17,000.00

TOTAL SERVICES FEES: \$ 928,014.00

Preparation of Alternates

The Consultant's fees are based upon the total dollars allocated for construction of the project. The Consultant will prepare an estimate for probable cost of construction. This estimate will be based on the design development phase of the project. Should the City request design alternates be prepared for bidding, the consulting team will invoice the City in addition to the original contract amount, the agreed percentage of construction cost for preparation of plans, construction documents and specifications for the alternates. Any such expenses shall be pre-authorized by the City in advance of work being performed.

The consulting team appreciates the opportunity to submit this Scope of Services and we look forward to working with you and the City of Celina. If you have any questions, do not hesitate to call me.

Sincerely,



Dennis Sims, RLA
Principal

Preliminary Cost Estimate with Baseball / Softball Artificial Turf
OLD CELINA PARK EXPANSION
Master Plan

August 1, 2018



ITEM			
<u>INFRASTRUCTURE</u>			
Water Line (Including 18" Extension)			\$ 162,550.00
Sewer Line			\$ 99,650.00
Pond Excavation & Construction (17,500 S.F. Surface Area @ 8' Deep)			\$ 175,000.00
Irrigation Wet Well			\$ 150,000.00
INFRASTRUCTURE TOTAL:			\$ 587,200.00
<u>SOCCER FIELD & COMMON AREA</u>			
Irrigation (14 Acres)			\$ 300,000.00
Solid Sod (Approximately 14 Acres)			\$ 254,000.00
Earthwork			\$ 275,000.00
SOCCER FIELD & COMMON AREA TOTAL:			\$ 829,000.00
<u>LIGHTING SOCCER FIELDS</u>			
Lighting Existing South Soccer Fields			\$ 1,000,000.00
Lighting Proposed Soccer Fields			\$ 360,000.00
LIGHTING SOCCER FIELDS TOTAL:			\$ 1,360,000.00
<u>PARKING AREA / SIDEWALKS / WALKING TRAILS</u>			
Sidewalks (50,500 S.F.)			\$ 290,375.00
Plaza Paving (20,000 S.F.)			\$ 115,000.00
Concrete Parking (1790 Spaces) + Entrance Drives (64,400 S.F.)			\$ 418,600.00
Concrete Parking (65 Spaces) + Entrance Drives (25,200 S.F.)			\$ 163,800.00
Parking Lot Lights			\$ 250,000.00
TxDOT Entrance Drives/Culverts (3)			\$ 60,000.00
PARKING AREA / SIDEWALKS / WALKING TRAILS TOTAL:			\$ 1,297,775.00
<u>4-Plex Softball Complex</u>			
4-Plex Softball Fields (Lighted) (Minus Irrigation)			\$ 2,311,875.00
Softball Fields (Artificial Turf)			\$ 2,000,000.00
Spectator Shade Structure			\$ 500,000.00
Restroom / Concession Building (1,500 S.F.) Built On-Site			\$ 600,000.00
Earthwork			\$ 20,000.00
4-PLEX SOFTBALL COMPLEX TOTAL:			\$ 5,431,875.00
<u>OTHER</u>			
Earthwork, Finish Grading			\$ 50,000.00
Erosion Control			\$ 75,000.00
Storm Sewer			\$ 300,000.00
Electrical Complex Service			\$ 50,000.00
Construction Testing			\$ 50,000.00
Landscaping / Trees			\$ 100,000.00
OTHER TOTAL:			\$ 625,000.00
SUB TOTAL:			\$ 10,130,850.00
Pre-Design Contingency (10%):			\$ 1,013,085.00
ESTIMATED CONSTRUCTION TOTAL:			\$ 11,143,935.00
A & E Fees: (8.3%):			\$ 928,014.00
GRAND TOTAL:			\$ 12,071,949.00

A & E Fees Include: Geotechnical, ADA Fees, Printing Reimbursables, Replating Fees, Design Fees, Bidding, Construction Observation, and Project Closeout.

Earthwork is Based on Aerial Topographic and Estimated Finish Grades.

Attachment: Architectural Services Agreement (Old Celina Park Design Contract)



THE CITY OF CELINA, TEXAS

SUPPLEMENTARY CONDITIONS TO AIA DOCUMENTS B101-2007 AND A201-2007

These Supplementary Conditions are incorporated into the Architectural Services Agreement between Dunkin Sims Stoffels, Inc. (“Architect”) and the CITY OF CELINA, TEXAS (“City” or “Owner”), dated August 14, 2018. The following terms and conditions supplement and modify the “Standard Form of Agreement Between Owner and Architect,” AIA Document B101-2007, and the “General Conditions of the Contract for Construction,” AIA Document A201-2007, which is incorporated by reference in AIA Document B101-2007. Where a portion of AIA Documents B101-2007 or A201-2007 are modified or deleted by these Supplementary Conditions, the unaltered portions of AIA Documents B101-2007 or A201-2007 shall remain in effect.

SUPPLEMENTARY CONDITIONS TO AIA DOCUMENT B101-2007

ARTICLE 1 INITIAL INFORMATION

§1.3 In the second line, replace “shall appropriately” with “may.”

ARTICLE 2 ARCHITECT’S RESPONSIBILITIES

§2.2 Add at the end of the section, “and, in any event, in accordance with such schedule as is specified in this Agreement.”

§2.3 Add at the end of the section: “If at any time after entering into this Agreement, the City has any objection to the Architect’s representative or to any of Architect’s personnel, or any objection to any personnel of consultants retained by Architect and assigned to the Project, Architect shall promptly propose substitutes to whom the City has no objection.”

§2.4 Delete from the second line “reasonably appear to.”

§2.5 Delete second sentence. Add the following regarding types and limits of insurance coverage:

The Architect shall, at its own expense, procure, pay for and maintain during the term of this Agreement the following insurance written by companies approved by the State of Texas and acceptable to Owner. The Architect shall furnish to the Owner certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, and expiration dates in compliance with all applicable required provisions.

.1 General Liability: Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$1,000,000.00 per occurrence, \$1,000,000.00 Products/Completed Operations Aggregate, and \$1,000,000.00 General Aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.

.2 Automobile Liability: Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,000,000.00 per occurrence.

.3 Worker's Compensation: Worker's Compensation insurance with statutory limits; and Employer's Liability coverage with minimum limits for bodily injury: (a) by accident, \$100,000.00 each accident, and (b) by disease, \$100,000.00 per employee, with a per policy aggregate of \$500,000.00.

.4 Professional Liability: Professional Liability insurance to provide coverage against any claim which the Architect and all consultants engaged or employed by the Architect become legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$2,000,000.00 per claim, \$2,000,000.00 annual aggregate.

If the insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than thirty-six (36) months following completion of this Agreement and acceptance by Owner.

With reference to the foregoing required insurance, the Architect shall endorse applicable insurance policies as follows: (1) a waiver of subrogation in favor of Owner, its officials, employees and officers shall be contained in the Workers' Compensation insurance policy; (2) the Owner, its officials, employees and officers shall be named as additional insureds on the Commercial General Liability policy, by using endorsement CG2026 or broader; and (3) all insurance policies shall be endorsed to the effect that Owner will receive at least thirty (30) days notice prior to cancellation, non-renewal, termination, or a material change of the policies. All insurance shall be purchased from an insurance company that meets a financial rating of B+IV or better as assigned by A. M. Best Company or equivalent.

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

§3.1.3 In the sixth line, delete "except for reasonable cause." In the seventh line, replace "shall" with "may."

§3.1.4 Add at the end of the section, "which approval shall not be unreasonably withheld."

§3.1.7 Add this new subsection, to read as follows: "Architect shall provide Owner copies of all subcontracts and agreements with subcontractors who perform Work on the Project. Owner approval of all subcontractors performing Mechanical/Equipment/Plumbing work, Civil Engineering work, Electrical Engineering work, Structural Engineering work, and Landscape Architecture work is required."

§3.1.8 Add this new subsection, to read as follows: “Architect shall coordinate with Owner the establishment and identification of benchmark(s)/datum elevation(s) for use on the Project. Architect shall be responsible for coordinating and providing accurate and complete benchmark information to all contractors during construction of the Project.

§3.6 CONSTRUCTION PHASE SERVICES

§3.6.1.2 In the sixth line, delete “negligent.”

§3.6.2.1 In the sixth line, delete “reasonably.”

§3.6.2.3 Delete from the end of the section, “or otherwise with reasonable promptness.”

§3.6.2.4 Replace the second sentence with the following sentence, “When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, and shall not show partiality to either, and shall not be liable for Contractor’s performance of interpretations or decisions.”

§3.6.4.4 Replace the fourth sentence with the following, “The Architect’s response to such requests shall be made in writing within forty-eight (48) hours of receipt.”

§3.6.6.5 Add the following at the end of the section, “Said meeting shall occur at the facility during the eleventh (11th) month after the date of Substantial Completion.

ARTICLE 4 ADDITIONAL SERVICES

§4.2 Add the following: “If additional design sets of drawings provided hereunder are required, Architect shall provide same over and above the number of design sets already provided as part of Architect’s Work under this Agreement. Architect shall be paid by Owner for each additional design set of drawings over and above the number of sets provided as part of this Agreement, in the agreed upon amounts per set as stated in the scope of work.”

§4.3.1.1 Add at the end of the subsection, “except pursuant to §1.3.”

§4.3.1.4 Delete the subsection and replace with the following, “Services necessitated by decisions or any other failure of performance on the part of the Owner’s consultants or contractors;”.

§4.3.1.5 Delete this subsection.

§4.3.1.6 Delete this subsection.

§4.3.1.7 Delete this subsection.

§4.3.1.8 Delete this subsection.

§4.3.1.9 Delete this subsection.

§4.3.1.10 Replace “cause” with “casualty.”

§4.3.2.3 Delete this subsection.

§4.3.2.4 Delete this subsection.

§4.3.2.6 Replace “60” with “90.”

§4.3.4 In the last line, replace “shall” with “may.”

ARTICLE 5 OWNER’S RESPONSIBILITIES

§5.2 Add in the first line, after the word “update” the following: “the Architect regarding.”

§5.4 Replace “Owner” with “Architect.”

§5.6 In the third line, replace “shall” with “may.”

ARTICLE 6 COST OF THE WORK

§6.4 In the first line, replace “90” with “120.” In the last line, replace “shall” with “may.”

§6.5 Add at the end of the section, “Notwithstanding any provision herein to the contrary, this provision does not guarantee or authorize any automatic adjustment to the Cost of the Work, and the Owner’s decision on any adjustment shall be final.”

ARTICLE 7 COPYRIGHTS AND LICENSES

§§7.1, 7.2, 7.3, 7.3.1, and 7.4 Delete these sections and replace with the following:

“All materials, documents and ‘Instruments of Service’ prepared or assembled by the Architect under this Agreement shall become the sole property of the Owner and shall be delivered to the Owner without restriction on future use. The Architect may retain in its files copies of all drawings, specifications and other pertinent information for the work. The Architect shall have no liability for changes made to any materials or other documents by others subsequent to the completion of this Agreement.”

ARTICLE 8 CLAIMS AND DISPUTES

§8.1 GENERAL

§8.1.1 Delete the following phrase from the third and fourth lines of the first sentence: “. . . but in any case not more than 10 years after the date of Substantial Completion of the Work.”

§8.1.2 Delete this section.

§8.1.3 Delete this section.

§8.2 MEDIATION

§8.2.1 Delete the second sentence of this section.

§8.2.2 Delete the first sentence of this section, and replace with the following sentence: “The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them first, informally and, second, by mediation.” Delete the last sentence of this section, and replace with the following: “The parties shall have fifteen (15) days after receipt of a request for mediation to agree on a mediator. If the parties are unable to agree on a mediator within fifteen (15) days, each party shall have an additional five (5) days to designate a mediator. The two mediators so designated shall then designate a third unbiased mediator who shall be the mediator to conduct the mediation. The decision of the mediator shall be non-binding.

§8.2.4 Select the box “Litigation in a court of competent jurisdiction.”

§8.3 ARBITRATION

Delete this section. It is understood and agreed that arbitration is not agreed to as a dispute resolution method under this Agreement.

ARTICLE 9 TERMINATION OR SUSPENSION

§9.1 In the fourth line, replace “seven days” with “ten days.” Replace the last sentence with the following: “Before resuming services, the Architect shall be paid all sums due prior to suspension.”

§9.2 In the second and fourth lines, replace “shall” with “may.”

§9.3 In the second line, replace “seven days” with “thirty days.”

§9.4 In the first line, replace “seven days” with “thirty days.”

§9.5 In the first line, replace “seven days” with “thirty days.”

§9.6 Delete this section and insert the following: “In the event of termination that is not the fault of the Architect, the Architect shall be compensated for services performed prior to termination.”

§9.7 Delete this section.

ARTICLE 10 MISCELLANEOUS PROVISIONS

§10.1 Delete this section and replace with the following: “This Agreement shall be governed by the law of the State of Texas, and venue for any dispute shall be in any court of competent jurisdiction in Collin County, Texas.”

§10.3 Add “prior” before “written” in the second line of this section. Put a period after the word “other” in the third line, and delete the remaining language from the last two lines of this section.

ARTICLE 11 COMPENSATION

§11.8 COMPENSATION FOR REIMBURSABLE EXPENSES

§11.8.1 Delete this section.

§11.8.2 Delete this section.

§11.9 COMPENSATION FOR USE OF ARCHITECT'S INSTRUMENTS OF SERVICE

Delete this section.

§11.10 PAYMENTS TO THE ARCHITECT

§11.10.3 Delete this section.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Add: "City of Celina, Texas Architectural Services Agreement; and these Supplementary Conditions."

ARTICLE 13 SCOPE OF THE AGREEMENT

§13.2.3 Add: "City of Celina, Texas Architectural Services Agreement and contract documents referenced therein, and the order of precedence provisions stated therein."

SUPPLEMENTARY CONDITIONS TO AIA DOCUMENT A201-2007

ARTICLE 1 GENERAL PROVISIONS

§1.1 BASIC DEFINITIONS

§1.1.1 Add as a new second sentence, the following: "When used herein, the term "Contract" or "Agreement" means Agreement between the Architect and Owner, and all Contract Documents that form a part of or are included in such Agreement. Except where expressly stated otherwise, the term "Contractor" means "Architect." Delete subparts 3 and 4 from this section.

§1.1.2 In the first line, replace "Contract for Construction" with "Agreement between Owner and Architect." Delete subparts 3 and 4 from this section.

§1.1.3 Delete the words "construction and" from the first line of this section.

§1.1.8 Place a period after the word "claims" and delete the remainder of this section.

§1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§1.5.1 Delete the first sentence of this section.

§1.5.2 Delete the last two sentences of this section.

ARTICLE 2 OWNER

§2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§2.2.1 Delete this section.

§2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

Delete from the sixth line, "and compensation for the Architect's additional services."
Delete the third sentence of this section.

ARTICLE 3 CONTRACTOR**§3.1 GENERAL**

§3.1.3 Delete from the second line of this section, "either by activities or duties of the Architect in the Architect's administration of the Contract, or."

3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§3.2.2 Replace "Architect" with "Owner" in the seventh and eighth lines of this section.
Delete the last sentence of this section.

§3.2.3 Replace "Architect" with "Owner" in the third and fourth lines of this section.

§3.2.4 Replace "Architect" with "Owner" in the second and sixth lines of this section.
Replace "Article 15" with "the Contract Documents" in the third line of this section.

§3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§3.3.1 Delete "and Architect" from the ninth line, and replace "Architect" with "Owner" in the tenth line of this section.

§3.4 LABOR AND MATERIALS

§3.4.2 Replace "Architect" with "Owner" in the first and third lines of this section.

§3.5 WARRANTY

Delete "and Architect" from the first line of this section, and replace "Architect" with "Owner" in the last line of this section.

§3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§3.7.4 Delete "and the Architect" from the fifth line of this section, and replace "Architect" with "Owner" in the sixth, ninth, tenth and eleventh lines of this section. Delete "Owner and" from the eleventh line of this section, and replace "Article 15" with "the Contract Documents" in the last line of this section.

§3.7.5 Replace "Article 15" with "the Contract Documents" in the last line of this section.

§3.9 SUPERINTENDENT

§3.9.2 Delete "through the Architect" in the second line of this section. Replace "Architect" with "Owner" in the second and fourth lines of this section. Delete "or the Architect" from the third line of this section.

§3.9.3 Delete “or Architect” from the first line of this section.

§3.10 CONTRACTOR’S CONSTRUCTION SCHEDULES

§3.10.1 Delete “and Architect’s” from the first and second lines of this section.

§3.10.2 Delete “Architect” and replace with “Owner” in the second, third and fourth lines of this section.

§3.10.3 Delete “and Architect” from the second line of this section.

§3.11 Delete the last sentence of this section.

§3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§3.12.4 Replace “Architect” with “Owner” in the fourth and fifth lines of this section.

§3.12.5 Replace “Architect” with “Owner” in the second and third lines of this section.

§3.12.6 Delete “and Architect” from the second line of this section.

§3.12.8 Replace “Architect” with “Owner” in the second, third, fourth and seventh lines of this section.

§3.12.9 Replace “Architect” with “Owner” in the second and third lines of this section.

§3.12.10 Delete “and the Architect” from the seventh and twelfth lines of this section. Replace “Architect” with “Owner” in the twelfth and fifteenth lines of this section. Replace “and Architect have” with “has” in the fourteenth line of this section.

§3.16 ACCESS TO WORK

Delete “and Architect” from this section.

§3.17 ROYALTIES, PATENTS AND COPYRIGHTS

Delete “and Architect” from the second line of this section, and delete “or Architect” from the fifth line of this section. Replace “Architect” with “Owner” in the last line of this section.

§3.18 INDEMNIFICATION

§3.18.1 Delete this section.

§3.18.2 Replace “Section 3.18” with “Agreement” in this first line of this section. Replace “Section 3.18.1” with “this Agreement” in the third line of this section.

ARTICLE 4 ARCHITECT

§4.2 ADMINISTRATION OF THE CONTRACT

§4.2.8 Place a period after “Directives” in the first line and delete the remainder of the section.

§4.2.12 Add at the end of the section, “except as otherwise set forth in the Contract Documents.”

§4.2.14 Replace the second sentence with the following, “The Architect’s response to such requests shall be made in writing within forty-eight (48) hours of receipt.”

ARTICLE 5 SUBCONTRACTORS

§5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§5.2.3 Replace “shall” with “may” in the third line of this section.

§5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§5.4.2 Replace “shall” with “may” in the second line of this section.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§6.2 MUTUAL RESPONSIBILITY

§6.2.3 Delete the second sentence of this section.

§6.3 OWNER’S RIGHT TO CLEAN UP

Replace “Architect” with “Owner” in the last line of the section.

ARTICLE 8 TIME

§8.1 DEFINITIONS

§8.1.1 Delete “Substantial” from the second line of this section.

§8.1.3 Delete “Substantial” from this section, replace “Architect” with “Owner,” put a period after the word “Owner,” and delete the remainder of this section.

§8.2 PROGRESS AND COMPLETION

§8.2.3 Delete “Substantial” from this section.

§8.3 DELAYS AND EXTENSIONS OF TIME

§8.3.1 Delete “or Architect” from the second line of this section. Replace “Architect” with “Owner” in the fifth line of this section, replace “shall” with “may” in the fifth line of this section, place a period after the word “extended” in the fifth line of this section, and delete the remainder of the section.

§8.3.2 Replace “Article 15” with “the Contract Documents” in this section.

ARTICLE 9 PAYMENTS AND COMPLETION

§9.2 SCHEDULE OF VALUES

Replace “Architect” with “Owner” in the second and fourth lines of this section.

§9.3 APPLICATIONS FOR PAYMENT

§9.3.1 Replace “Architect” with “Owner” in the second and fourth lines of this section.

§9.7 FAILURE OF PAYMENT

Delete entire section.

§9.9 PARTIAL OCCUPANCY OR USE

§9.9.1 Place a period after the word “Contractor” in the last line of the section, and delete the rest of the section.

§9.10 FINAL COMPLETION AND FINAL PAYMENT

§9.10.1 Replace “Architect” with “Owner and Architect” in the second, third, fourth, fifth and seventh lines of this section.

§9.10.2 Replace “Architect” with “Owner” in the second line of this section.

§9.10.3 Delete the first sentence and replace with the following: “If final completion of the Work is materially delayed through no fault of the Architect, and the Owner so confirms, the Owner shall, upon application by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted.” Replace “Architect” with “Owner” in the seventh line of this section.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§10.2 SAFETY OF PERSONS AND PROPERTY

§10.2.5 Delete “or Architect” from the fifth line of this section, and replace “either of them” with “Owner” in both places in the sixth line of this section.

§10.2.6 Delete “and Architect” from the last line of this section.

§10.3 HAZARDOUS MATERIALS

§10.3.1 Delete “and Architect” from the last line of this section.

§10.3.2 Delete “and Architect” from the fourth line of this section, and delete “and the Architect” from the sixth and seventh lines of this section. Delete “or Architect” from the ninth line of this section, and replace “and Architect have” with “has” in the ninth line of this section. In the eleventh line, replace “shall” with “may.”

§10.3.3 Delete this section.

§10.3.6 Delete this section.

§10.4 EMERGENGIES

Replace “shall” with “may” in the last line of this section.

ARTICLE 11 INSURANCE AND BONDS

§11.1 CONTRACTOR’S LIABILITY INSURANCE

§11.1.4 Delete “the Architect and the Architect’s consultants” from the second line of this section, and replace “insureds” with “insured” in the second line of this section.

§11.3 PROPERTY INSURANCE

§11.3.1.1 Delete “Architect’s and” from the fifth line of this section.

§11.3.3 Delete the last sentence of this section.

§11.3.9 Delete this section.

§11.3.10 Delete the last sentence of this section.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§12.1 UNCOVERING WORK

§12.1.1 Delete this section.

§12.1.2 Delete this section.

§12.1 CORRECTION OF WORK

§12.2.1 Replace “Architect” with “Owner” in the first line of this section. Delete “Substantial” from the second line of this section, and replace “Architect’s services and” with “Owner’s” in the fourth line of this section.

§12.2.2.1 Delete “Substantial” from the second line of this section.

§12.2.2.2 Delete “Substantial” from the second line of this section.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§13.1 GOVERNING LAW

Delete this section.

§13.4 RIGHTS AND REMEDIES

§13.4.2 Delete “Architect” from the first line of this section.

§13.5 TESTS AND INSPECTIONS

§13.5.1 Replace “Architect” with “Owner” in the fifth and sixth lines of this section.

§13.5.2 Replace “Architect” with “Owner” in the second, fourth and fifth lines of this section. Delete “Architect” from the first line of this section, and delete “upon written authorization from the Owner” from the second and third lines of this section.

§13.5.3 Replace “Architect’s” with “Owner’s” in the third line of this section.

§13.5.4 Replace “Architect” with “Owner” in the last line of this section.

§13.5.5 Replace “Architect” with “Owner” in the first and second lines of this subsection.

§13.6 INTEREST

Delete this section.

§13.7 TIME LIMITS ON CLAIMS

Place a period after the word “law” in the third line of this section, and delete the remainder of this sentence.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

Delete this section.

ARTICLE 15 CLAIMS AND DISPUTES

Delete this section.



Public Works
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Alan Fourmentin, Director of Public Works
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: Wastewater Line Cleaning & CCTV

Action Requested:

Consider and act to authorize the City Manager to negotiate and execute an agreement by and between the City of Celina and Insituform Services in the amount of \$64,990 for cleaning and Closed Circuit Television. (Fourmentin)

Background Information:

This contract will provide visual inspection of wastewater lines as recommended from previous inflow and infiltration studies. These inspections allow staff the ability to determine the most responsible repairs in order to decrease inflow of storm water into the wastewater system.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

Bond funded

Legal Review:

City Attorney has reviewed.

Supporting Documents:

Contract Proposal

Staff Recommendation:

Approve

August 2, 2018

ACES#: AAJA-XXOAG0

Mr. Andrew Moore
City of Celina
142 N. Ohio St.
Celina, TX 75009-6183

Buyboard Proposal

Project Name: **City of Celina, TX – 2016 & 2018 Clean & CCTV Sanitary Sewer**

INSITUFORM TECHNOLOGIES, LLC herein proposes to furnish all labor, materials, equipment, and services necessary to complete the referenced project (as detailed in the project information provided by Pipeline Analysis and presented by the City of Celina) utilizing The Local Government Purchasing Cooperative Contract #555-18 administered through the BuyBoard.

ASSUMPTIONS AND QUALIFICATIONS

This pricing is based on the best available information at the time of this proposal. It is understood that the work to be completed in this proposal is to complete assessment of the sanitary sewer lines by obtaining video footage of the entire length, cleaning the lines by removing all loose debris, determining condition assessment, providing inspection reports, and completing a recommendation report for possible rehab or repairs.

Water shall be provided at no cost to Insituform Technologies, LLC for all construction phases of this project. Insituform Technologies, LLC will follow all required deposit, backflow prevention, and metering procedures.

Cleaning crews will be NASSCO PACP compliant (Pipeline Assessment and Certification Program) version 6.0 or greater.

The City of Celina will provide access to all manholes, permits, traffic control beyond cones and residential controls, and disposal site for debris. Should any point repairs, partial collapses, or protruding objects be identified during the TV phase, one attempt to complete the line with a reverse set-up will be made. A price for internal obstruction removal is being provided to avoid re-mobilizations if applicable.

The pricing in this proposal assumes that all Technical Specifications set forth by the BuyBoard will be strictly adhered to. Any changes to these specifications must be noted and agreed upon by both parties prior to finalizing the proposal pricing.

Special: 1. No bonding is included in the pricing. Allow an additional 1.5% if necessary.

PROPOSAL TERMS AND CONDITIONS

Terms and Conditions from the Texas Statewide Cooperative Purchasing Contract are available upon request from the BuyBoard. Any changes to these conditions must be noted and agreed upon by both parties.

Attachment: 08 14 Celina TV Clean 2016-2017 Proposal (Insituform Cleaning & CCTV)

August 2, 2018

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PROPOSAL PRICING**City of Celina 2016 & 2017 Clean/CCTV Assessment Prices**

PAY ITEM NO.	DESCRIPTION	DIA Ø [in]		APPROX. QUANTITY	U/M	UNIT PRICE	ESTIMATED AMOUNT
2016							
1	Mobilization			0.5	LS	\$2,500.00	\$1,250.00
2	Clean & TV 6" Sewer	6"		5,119	LF	\$3.80	\$19,452.20
3	Clean & TV 8" Sewer	8"		1,625	LF	\$4.00	\$6,500.00
4	Clean & TV 12" Sewer	12"		860	LF	\$5.10	\$4,386.00
5	Other Remote Obstruction Removal (max 3 LF)			5	LF	\$315.00	\$1,575.00
6	Traffic Control			5	Day	\$100.00	\$500.00
2016 TOTAL							\$33,663.20
2017							
1	Mobilization			0.5	LS	\$2,500.00	\$1,250.00
2	Clean & TV 6" Sewer	6"		4,223	LF	\$3.80	\$16,047.40
3	Clean & TV 8" Sewer	8"		1,186	LF	\$4.00	\$4,744.00
4	Clean & TV 10" Sewer	10"		536	LF	\$4.25	\$2,278.00
5	Clean & TV 15" Sewer	15"		410	LF	\$5.75	\$2,357.50
6	Other Remote Obstruction Removal (max 3 LF)			10	LF	\$315.00	\$3,150.00
7	Tuberculation Removal			400	IN/DIA/LF	\$2.50	\$1,000.00
8	Traffic Control			5	Day	\$100.00	\$500.00
2017 TOTAL							\$31,326.90
GRAND TOTAL							\$64,990.10

PROPOSAL INCLUSIONS

The prices stated in this proposal include:

1. Mobilizations and demobilization.
2. Residential street traffic control as needed.
3. Internal obstruction removal and tuberculation removal as necessary.
4. Confined space safe entry practices.
5. Certificate of insurance with a standard coverage.

PROPOSAL EXCLUSIONS

Not included in the prices stated in this estimate are costs associated with the items listed below. These items, if needed or found to be applicable, would be provided by **INSITUFORM TECHNOLOGIES, LLC** at your additional cost; or would be furnished by others, at your direction, at no cost to **INSITUFORM TECHNOLOGIES, LLC**:

- a) Project permits and/or local licenses.
- b) TXDOT traffic control plan.
- c) State and local sales and/or use taxes on the value of the project. If you are exempt please submit the appropriate documentation.
- d) Additional premiums for special insurance coverage(s) demanded by you or other parties particular to this project.
- e) Performance and Payment Bond not included. This is available upon request, but if required please add 1.5% to the total project cost.

Attachment: 08 14 Celina TV Clean 2016-2017 Proposal (Insituform Cleaning & CCTV)

August 2, 2018

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- f) If any hazardous or toxic materials are encountered during the project, the Owner will be responsible for the removal and disposal of the materials.

PROPOSAL TERMS AND CONDITIONS

- a) Limits of Liability. In consideration of **INSITUFORM TECHNOLOGIES, LLC's** agreement to maintain no less than \$5,000,000 of comprehensive general liability insurance in the form required by the Contract, **INSITUFORM TECHNOLOGIES, LLC's** liability to the Owner for any matter covered by such insurance will be limited to the extent of such insurance and the Owner will indemnify and hold **INSITUFORM TECHNOLOGIES, LLC** harmless from any third party claims covered by such insurance to the extent such claims exceed the limits of such insurance. Neither party shall be liable to the other for consequential damages relating to the contract. In case of conflict between this provision and any other provision in the Contract as ultimately executed, this provision shall govern and prevail.
- b) LIMITED WARRANTY. IN LIEU OF ALL OTHER EXPRESSED, IMPLIED AND/OR STATUTORY WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, CONTRACTOR AGREES TO CORRECT ANY DEFECTS IN THE MATERIALS OR SERVICES PROVIDED BY CONTRACTOR WHICH ARE BROUGHT TO THE ATTENTION OF CONTRACTOR WITHIN ONE YEAR FOLLOWING COMPLETION OF CONTRACTOR'S WORK, PROVIDED OWNER AFFORDS CONTRACTOR SUITABLE ACCESS AND WORKING CONDITIONS TO ACCOMPLISH SUCH CORRECTION.
- c) MUTUAL RELEASE OF CONSEQUENTIAL DAMAGES. Neither party shall be liable to the other for consequential damages relating to or arising out of the Contract.
- d) PROPOSAL SUBJECT TO NEGOTIATION OF OTHER STANDARD TERMS OF AGREEMENT. This proposal is subject to agreement of the parties on other terms and conditions as are customary in contracts of this nature.
- e) Quantities are estimated. Unit prices apply for actual invoice and payment.
- f) Payments are due at net within thirty days of invoice. Final payment is due within thirty days of completion of project.
- g) Monthly progress partial payments may be requested for the value of work in progress or completed, including materials secured and on site.
- h) Prices stated are in effect for thirty days from the date of this proposal. The acceptance period may be extended at the sole option of **INSITUFORM TECHNOLOGIES, LLC**.
- i) Conflicts. In case of conflict between the provision of the aforesaid paragraphs and any other provision in the Contract as ultimately executed the provisions as set forth above shall govern and prevail.

OFFERED BY:

ACCEPTED BY:

INSITUFORM TECHNOLOGIES, LLC

*Timothy R. Peterie*TIMOTHY R. PETERIE
BUSINESS DEVELOPMENT MANAGERREVIEWED BY:
ANDY OZMENT
AREA MANAGER

cc: Ben Hawkins (PM)

SIGNATURE

DATE

NAME

TITLE

ORGANIZATION

This accepted proposal constitutes a formal agreement. If you initiate a purchase order or other document, it will not be acknowledged without this proposal being referenced or as an attachment.

Attachment: 08 14 Celina TV Clean 2016-2017 Proposal (Insituform Cleaning & CCTV)



Public Works
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Alan Fourmentin, Director of Public Works
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: AT&T Second Amendment To Tower/Ground Lease Agreement

Action Requested:

Consider and act to authorize the City Manager to negotiate and execute a second tower/ground lease amendment by and between the City of Celina and New Cingular Wireless PCS, LLC. (AT&T) located at the Morgan Lakes elevated storage tower. (Fourmentin)

Background Information:

New Cingular Wireless PCS, LLC (AT&T) has requested an amendment to the lease of ground and tower space at Morgan Lakes elevated storage tower for the placement of six new antenna and associated infrastructure equipment and cabling.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

This amendment will increase the annual rent on September 1, 2018 from \$13,687.88 to \$31,200 for the remainder of the current fourth five-year period; increase the fifth five-year period from \$15,741.06 to \$35,880 annually; and increase the sixth five-year period from \$18,102.21 to \$41,262 annually.

Legal Review:

City Attorney has reviewed

Supporting Documents:

Attached

Staff Recommendation:

Approve

Market: North Texas
 Cell Site Number: DX1091
 Cell Site Name: Celina
 Fixed Asset Number: 10009233

SECOND AMENDMENT TO TOWER/GROUND LEASE AGREEMENT

THIS SECOND AMENDMENT TO TOWER/GROUND LEASE AGREEMENT ("**Amendment**"), dated as of the latter of the signature dates below, is by and between City of Celina, a municipality, having a mailing address of 142 North Ohio Drive, Celina, Texas 75009-1000, ("**Lessor**") and New Cingular Wireless PCS, LLC, successor to Dallas SMSA Limited Partnership, a Delaware limited liability company, having a mailing address of 12555 Cingular Way, suite 1300, Alpharetta, GA 30004 ("**Lessee**").

WHEREAS, Lessor and Lessee entered into a Tower/Ground Lease Agreement dated October 19, 1999, as amended by the First Amendment to Tower/Ground Lease Agreement dated June 12, 2012, whereby Lessor leased to Lessee certain Premises, therein described, that are a portion of the Property located on or about 1900 County Road 96, Celina, Texas (collectively, the "**Agreement**"); and

WHEREAS, Lessor and Lessee desire to amend the Agreement to allow for the installation of additional antennas, associated cables and other communications instruments; and,

WHEREAS, Lessor and Lessee desire to adjust the rent in conjunction with the modifications to the Agreement contained herein; and

WHEREAS, Lessor and Lessee, in their mutual interest, wish to amend the Agreement as set forth below accordingly.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Lessor consents to the installation and operation of additional antennas and associated cables and equipment as shown on the Exhibit "1" incorporated herein and attached hereto.
2. **Rent.** Section 4. Term of the Agreement is amended as follows: Commencing on September 1, 2018, and for the remainder of the fourth five (5) year period, the rent shall increase to a total annual rent amount of \$31,200.00. The remaining five year periods shall be amended as follows:

The fifth five (5) year period of this Agreement, to begin December 1, 2019, shall have an annual rental of \$35,880.00

The sixth five (5) year period of this Agreement, to begin December 1, 2024, shall have an annual rental of \$41,262.00

Attachment: DX1091 Second Amendment MGEST (AT&T Second Amendment MLEST)

3. **Other Terms and Conditions Remain.** In the event of any inconsistencies between the Agreement and this Amendment, the terms of this Amendment shall control. Except as expressly set forth in this Amendment, the Agreement otherwise is unmodified and remains in full force and effect. Each reference in the Agreement to itself shall be deemed also to refer to this Amendment.

4. **Capitalized Terms.** All capitalized terms used but not defined herein shall have the same meanings as defined in the Agreement.

IN WITNESS WHEREOF, the parties have caused their properly authorized representatives to execute and seal this Amendment on the dates set forth below.

“LESSOR”

City of Celina

By: _____
 Name: _____
 Title: _____
 Date: _____

“LESSEE”

New Cingular Wireless PCS, LLC,
 By: AT&T Mobility Corporation
 Its: Manager

By: 
 Name: Leigh Ann Dodson
 Title: Area Manager-RE&C NTX Network Ops
 Date: 7/30/18

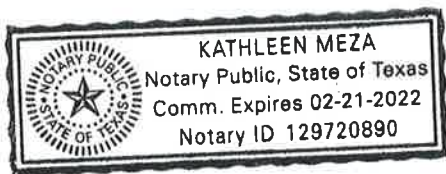
Attachment: DX1091 Second Amendment MGEST (AT&T Second Amendment MLEST)

LESSEE ACKNOWLEDGEMENT

STATE OF Texas)
) SS.
 COUNTY OF Dallas)

I certify that I know of or have satisfactory evidence that Leigh Ann Dodson is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Area Manager of AT&T Mobility Corporation, the Manager of New Cingular Wireless PCS, LLC, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 30 day of July, 2018.



Kathleen Meza
 Notary Public: Kathleen Meza
 My Commission Expires: 2-21-22

LESSOR ACKNOWLEDGEMENT

STATE OF _____)
) SS.
 COUNTY OF _____)

I certify that I know of or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of the City of Celina, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 2018.

Notary Public: _____
 My Commission Expires: _____

EXHIBIT "1"

Centerline 101':

- (6) SBNHH-1D65B Antennas
- (6) JAHH-65B-R3B-V3 Antennas
- (6) TMA
- (3) RRUS 4478 B14
- (3) RRUS 4478 B5
- (3) RRUS 32 B66
- (3) RRUS 32
- (3) RRUS 11
- (3) RRUS 12 +A2
- (9) DC2-48-60-0-9E
- (3) FC12
- (12) 7/8" Coax
- (1) 3/8" RET Line
- (6) DC Power
- (2) Fiber
- (1) 6' MW w/ associated cables and equipment

Attachment: DX1091 Second Amendment MGEST (AT&T Second Amendment MLEST)



City Secretary
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Vicki Faulkner, City Secretary
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: Boards and Commissions Nominations

Action Requested:

Consider and act upon approval of appointments, re-appointments and removals from city boards and commissions, Economic Development Corporation and Community Development Corporation (See attached). (Terry)

Background Information:

This action approves nominations for new appointments, re-appointments and/or removals from city boards, commissions and development corporations.

Board Review/Citizen Input:

Mayor Terry has reviewed the applications.

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

Nominations list

Staff Recommendation:

Opening	Board & Commission Nominations 2018		Term	Expires	Column1
	<u>Planning and Zoning (3 year term)</u>				
re-appoint	Jace Ousley		full		2021
re-appoint	Charles Haley		full		2021
re-appoint	Shawn Bain		full		2021
appoint	Eric Becker	Resignation-Mike Terry	unexpired		2020
	<u>Board of Adjustments (2 year term)</u>				
re-appoint	Herb Miller		full		2020
appoint	Nick Burgess		full		2020
appoint	R. Reid Leslie		Alternate		2020
appoint	Allison Alvino		Alternate		2020
	<u>Building & Standards (2 year term)</u>				
re-appoint	Jay Williams		full		2020
re-appoint	Joshua Lynch		full		2020
appoint	Pam Stokes		full		2020
appoint	Anthony Scudieri		full		2020
	<u>Library (2 year term)</u>				
re-appoint	Christine Ragland		full		2020
re-appoint	Lisa Ferguson		full		2020
re-appoint	Deborah Heinze		full		2020
re-appoint	Jennifer Blanco		full		2020
appoint	Chianna Rodgers	Remove-Diane Benham	unexpired		2019
	<u>Parks and Recreation (3 year term)</u>				
re-appoint	Mark Palmer		full		2021
appoint	Tawnia King		full		2021
	<u>Mainstreet (2 year term)</u>				
re-appoint	Rachel Baty		full		2020
re-appoint	Jack Ousley		full		2020
re-appoint	Amanda Webber		full		2020
re-appoint	Moises Casillas		full		2020
appoint	Leya Bryant Grubbs		full		2020
appoint	Renee Marler		full		2020
appoint	Eddie Cawlfeld		full		2020
	<u>Historic Preservation (2 year term)</u>				
re-appoint	Bob Fenwald		full		2020
re-appoint	Lee Williams		full		2020
appoint	Mitch Freeman		full		2020
	<u>Economic Development (2 year term)</u>				
re-appoint	Mindy Koehne		full		2020
re-appoint	Carmen Roberts		full		2020
appoint	Jay Pierce	Remove-Scott Stawski	unexpired		2019
	<u>Community Development (2 year term)</u>				
re-appoint	Jose Cross		full		2020
re-appoint	Monica Rooker		full		2020
re-appoint	Ralph O'Dell		full		2020
appoint	Jimmy Marler		full		2020



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: Creeks of Legacy PID Ph 2 Bond Ord

Action Requested:

Consider and act upon an ordinance approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 Project); and approving and authorizing related agreements. (DeBuff)

Background Information:

Approval of the issuance and sale of PID Bonds for Creeks of Legacy, Phase #2.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Ordinance
- Updated Service & Assessment Plan

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. 2018-__

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #2 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 "Creeks of Legacy Public Improvement District" (the "District"), pursuant to Resolution No. 2014-17R adopted by the City Council of the City (the "City Council") on April 29, 2014; and

WHEREAS, pursuant to the PID Act, the City Council published notice of and convened a public hearing on March 13, 2018 regarding the levy of special assessments against benefitted property located in the District, and, after hearing testimony at such public hearing, the City Council closed the public hearing and adopted Ordinance No. 2018-18 (the "Phase #2 Assessment Ordinance") on March 13, 2018; and

WHEREAS, in the Phase #2 Assessment Ordinance, the City Council approved and accepted the Creeks of Legacy Public Improvement District Service and Assessment Plan, dated June 18, 2014, as updated on March 13, 2018 and August 14, 2018 (the "Service and Assessment Plan") relating to the District and levied the "Phase #2 Assessments" (as defined in the Phase #2 Assessment Ordinance) against the "Phase #2 Assessed Property" (as defined in the Service and Assessment Plan) as shown on the "Phase #2 Assessment Roll" (as defined and described in 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 Phase #2 Assessments and other revenues received for the purposes of (i) paying a portion of the Costs of the Phase #2 Improvements, as defined in the Indenture (defined herein), (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuing the Bonds; and

WHEREAS, the City Council hereby finds and determines that it is in the best interests of the City to issue its bonds to be designated "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 Project)" (the "Bonds"), such series to be payable from and secured by the Pledged Revenues, 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 costs of the Phase #2 Improvement, as identified in the Service and Assessment Plan, (ii) approve the form, terms and provisions of an indenture of trust 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 Costs of the Phase #2 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuing the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of September 1, 2018, between the City and U.S. Bank National Association, as trustee (the "Trustee"), 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 Indenture by the Mayor or Mayor Pro Tem of the City, 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. 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.

(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" (as defined in the Indenture) 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 Mayor or Mayor Pro Tem is hereby authorized and directed to execute such Limited Offering Memorandum with such changes and alterations therein as the Mayor or Mayor Pro Tem may approve, such approval to be conclusively evidenced by such execution thereof. The Limited Offering Memorandum as thus approved, executed 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 execution, 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 Consultants (as defined in the Limited Offering Memorandum), the Developer (as defined in the Indenture) or their financial ability, any builders, any landowners, or the appraisal of the property in the District.

SECTION 4. Continuing Disclosure Agreement. That certain Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City and U.S. Bank National Association (the "Dissemination Agent") 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. Landowner Agreements. Those certain Landowner Agreements (each, a "Landowner Agreement" and collectively, the "Landowner Agreements"), between the City and the entity defined in the respective Landowner Agreement as the "Landowner" is hereby authorized and approved in substantially the form(s) 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 execute and deliver such Landowner Agreements with such changes as may be required to carry out the purposes of this Ordinance and approved by the City Manager, Mayor, or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 6. Additional Actions. The Mayor, Mayor Pro Tem, the City Manager, the Director of Finance, 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 Director of Finance, 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 Phase #2 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 August 14, 2018.

CITY OF CELINA, TEXAS

Mayor Pro Tem

ATTEST:

City Secretary

(City Seal)

EXHIBIT A
INDENTURE OF TRUST

Attachment: Celina - Creeks of Legacy PID Phase 2 2018 - Bond Ordinance - MASTER (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED AS OF SEPTEMBER 1, 2018

SECURING

\$ _____
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT
PHASE #2 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of September 1, 2018 is by and between the CITY OF CELINA, TEXAS (the "City"), and U.S. BANK NATIONAL ASSOCIATION, 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 Petitioners (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 Creeks of Legacy 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 Denton Central Appraisal District, and the signature of the property owner who owns 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 April 29, 2014, 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 April 29, 2014 the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2014-17R 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 May 2, 2014, the City published notice of its authorization of the District in the *Celina Record*, a newspaper of general circulation in 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 April 29, 2014; and

WHEREAS, on February 13, 2018, the City Council by Resolution No. 2018-05R made findings and determinations relating to the Costs of certain Phase #2 Improvements, received and accepted a preliminary service and assessment plan and proposed assessment roll, called a public hearing for March 13, 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 as required by Section 372.016(b) of the PID Act relating to the March 13, 2018 hearing; and

WHEREAS, on February 16, 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, to consider the proposed "Phase #2 Assessment Roll" and the "Service and Assessment Plan" and the levy of the "Phase #2 Assessments" on property in 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 Phase #2 Assessment Roll and the Service and Assessment Plan and the levy of Phase #2 Assessments on property in the District to the last known address of the owners of the property liable for the Phase #2 Assessments; and

WHEREAS, the City Council opened and convened the hearing on March 13, 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 Phase #2 Assessment Roll and the Phase #2 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Phase #2 Assessments, the allocation of Costs, the purposes of the Phase #2 Assessments, the special benefits of the Phase #2 Assessment, and the penalties and interest on annual installments and on delinquent annual installments of the Phase #2 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 Costs, the Phase #2 Assessment Roll, and the levy of the Phase #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, and

WHEREAS, on March 13, 2018, the City approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Phase #2 Assessment Ordinance and therein levied the Phase #2 Assessments as provided in the Service and Assessment Plan and the Phase #2 Assessment Roll; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Phase #2 Assessments for the purpose of (i) paying a portion of the Costs of the Phase #2 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying 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 2018 (Creeks of Legacy Public Improvement District Phase #2 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 this preamble; 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 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;

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 Phase #2 Assessments have been prepaid, the lien on real property associated with such Phase #2 Assessment prepayment shall be released from the Trust Estate and shall no longer constitute a part of the Trust Estate;

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.

"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 Phase #2 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.

"Administrative Expenses" mean the administrative, organization, maintenance and operation costs 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 Phase #2 Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Phase #2 Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Phase #2 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 (i) the Phase #2 Assessment as shown on the Phase #2 Assessment Roll attached to the Service and Assessment Plan as Appendix H and related to the Bonds and the Phase #2 Improvements; (ii) Administrative Expenses, (iii) the additional per annum interest payment equivalent to 0.50% higher than the rate on the Bonds which amount is used to fund the Prepayment and Delinquency Reserve Account.

"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 Phase #2 of the District against which a Phase #2 Assessment is levied by the Phase #2 Assessment Ordinance in accordance with the Service and Assessment Plan.

“Assessment Revenue” means monies collected by or on behalf of the City from any one or more of the following: (i) a Phase #2 Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Phase #2 Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

“Authorized Denomination” means \$25,000 and any integral multiple of \$5,000 in excess thereof; provided, however, that if the total principal amount of the Outstanding Bonds is less than \$25,000 then the Authorized Denomination shall be the amount of the Outstanding Bonds.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including those listed in Section III of the Service and Assessment Plan, for which Phase #2 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.

“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 Pledged Revenue Account” means the Account of such name established pursuant to Section 6.1.

“Bond Year” means the one-year period beginning on October 1 in each year and ending on September 30 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 2018 (Creeks of Legacy Public Improvement District Phase #2 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.

“Certification for Payment” means a certificate substantially in the form of Exhibit B attached to the Construction Funding 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 Costs thereof, and requesting payment for such Costs from money on deposit in the Project Fund as further described in the Construction Funding Agreement and Section 6.5 herein.

“City Certificate” means a certificate signed by a City Representative and delivered to the Trustee.

“City Order” means written instructions by the City, executed by a City Representative.

“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.

“Construction Funding Agreement” means the “Creeks of Legacy Public Improvement District Phase #2 Improvements Construction, Funding and Acquisition Agreement” dated as of March 13, 2018, between the City and the Developer associated with the Bonds, which relates to the levying and collection of Phase #2 Assessments, the construction of the Phase #2 Improvements, the maintenance of the Phase #2 Improvements, the issuance of bonds and other matters related thereto.

“Costs” means the costs of the Authorized Improvements, including the Phase #2 Improvements.

“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 interest, penalties and expenses incurred or imposed with respect to any delinquent installment of a Phase #2 Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Phase #2 Assessment and foreclosing the lien against an Assessed Parcel, including attorney’s fees.

“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 collectively, CTMGT Frontier 80, LLC, a Texas limited liability company (including its successors and assigns), CADG Creeks of Legacy Stonegate, LLC, a Texas limited liability company (including its successors and assigns), and CADG Creeks of Legacy West, LLC, a Texas limited liability company (including its successors and assigns).

"Development Agreement" means the Development Agreement by and between the City and CTMGT Frontier 80, LLC effective June 18, 2014 which provides for the development of property within the District, the creation of the District and a tax increment reinvestment zone, the construction and financing of the Authorized Improvements and other matters related thereto.

"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 Town and such successor.

"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 Phase #2 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.

"Improvement Account" means the Account of such name established pursuant to Section 6.1.

"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, 2019.

“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.

“Outstanding” means, as of any particular date when used with reference to 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.

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

“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.

“Petitioners” means collectively, CTMGT Frontier 80, LLC, a Texas limited liability company, CADG Frontier 192, LLC, a Texas limited liability company, James-Chan Wu, and Chin-Chao Wu.

“Phase” means one or more Parcels within the District that will be developed in the same general time period.

“Phase #2” means the second Phase to be developed within the District and further identified and described in the Service and Assessment Plan.

“Phase #2 Assessment Ordinance” means Ordinance No. 2018-08 adopted by the City Council on March 13, 2018, that levied the Phase #2 Assessments on the Assessed Parcels.

"Phase #2 Assessments" means the aggregate assessments shown on the Phase #2 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Phase #2 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.

"Phase #2 Assessment Roll" means the assessment roll attached as Appendix H to the Service and Assessment Plan or any other Phase #2 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 Phase #2 Assessment against each Assessed Parcel related to the Bonds and the Phase #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.

"Phase #2 Bond Ordinance" means Ordinance No. 2018-__ adopted by the City Council on August __, 2018 authorizing the issuance of the Bonds pursuant to this Indenture.

"Phase #2 Improvements" means the Authorized Improvements which will only benefit Phase #2 Assessed Property more particularly described in Section III.D of the Service and Assessment Plan.

"Phase #2 Reimbursement Agreement" means the "Creeks of Legacy Public Improvement District Phase #2 Improvements Reimbursement Agreement" between the City and the Developer, dated as of March 13, 2018, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Phase #2 Improvements within 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 Phase #2 Improvements and other matters related thereto.

"Phased PID Bonds" mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Phase. In connection with the Phased PID Bonds, Assessments will be levied only on Parcels located within the Phase in question.

"PID Act" means Texas Local Government Code, Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, 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 (a) the Administrative Expenses and (b) Foreclosure Proceeds, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds and Additional Bonds.

"Prepayment" means the payment of all or a portion of a Phase #2 Assessment before the due date thereof.

"Prepayment and Delinquency Reserve Account" means the Account of such name established pursuant to Section 6.1.

“Prepayment and Delinquency Reserve Requirement” means an amount equal to 5.50% of the principal amount of the Outstanding Bonds which will be funded from revenues received from the payment of Phase #2 Assessments deposited to the Pledged Revenue Fund.

“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.

“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 Fund” means that fund established pursuant to Section 6.1 and administered in Section 6.7 herein.

“Reserve Fund Obligations” means cash or Investment Securities.

“Reserve Account Requirement” means the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of the date of issuance, or (iii) 10% of the proceeds of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to subsections (c) and (d) of Section 6.7; and provided further that as a result of an optional redemption pursuant to Section 4.3, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is \$_____ which is an amount equal to Maximum Annual Debt Service on the Bonds as of the date of issuance and the City shall promptly consult with the Trustee to establish any necessary reduction to the Reserve Account Requirement.

“Service and Assessment Plan” means the document entitled “Creeks of Legacy Public Improvement District Service and Assessment Plan” dated June 18, 2014, as updated on March 13, 2018, including the Phase #2 Assessment Roll, as amended, including any annual updates thereto, which is attached as Exhibit A to the Phase #2 Assessment 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.

“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.

“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 Pledged Revenues 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 Pledged Revenues, 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 Pledged Revenues 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 Pledged Revenues 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 Costs of the Phase #2 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated August 1, 2018 (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, 2019 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 Phase #2 Assessment Ordinance;
- (b) a certified copy of the Phase #2 Bond Ordinance;
- (c) a copy of the executed Phase #2 Reimbursement Agreement;
- (d) a copy of the executed Construction Funding 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 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 be such officer 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 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.

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 17(a) 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 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:

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
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*Stated Maturity.

(b) At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select a principal amount of Bonds 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 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 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 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 sinking mandatory fund redemption.

Section 4.3. Optional Redemption.

(a) The City reserves the right and option to redeem Bonds 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 the price of par, plus accrued interest to the date of redemption.

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, 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(c), 6.3(d), 6.7(a), 6.7(c), 6.7(e), 6.7(g), or 6.7(i) hereof, or as a result of unexpended amounts transferred from the Project Fund as provided in Section 6.5(d)).

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in minimum principal amounts of \$5,000 or any integral thereof by any method selected by the Trustee that results in a pro rata reduction of the outstanding maturities. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000.

(b) A portion of a single Bond of an Authorized Denomination may be redeemed, but only in a principal amount equal to \$5,000 or any integral thereof. The Trustee shall treat each \$5,000 portion of such Bond as though it were a single bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding Bonds is less than an

Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued.

(c) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver and exchange the 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 principal amount plus accrued and unpaid interest on 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 neither the City nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

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) Prepayment and Delinquency Reserve Account.

(iii) The following Accounts are hereby created and established under the Project Fund:

- (A) 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 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 Improvement Account of the Project Fund: \$_____; and
- (v) to the District Administration Account of the Administrative Fund: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 1 of each year while the Bonds are Outstanding and beginning in 2019, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited to 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, (iii) third, to the Prepayment and Delinquency Reserve Account in an amount equal to the Prepayment and Delinquency Reserve Requirement, and (iv) fourth, after satisfaction of the Prepayment and Delinquency Reserve Requirement, to the Redemption Fund.

(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, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

(d) 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) 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 the Reserve Fund, the Trustee may apply Phase #2 Assessments for any lawful purposes permitted by the PID Act for which Phase #2 Assessments may be paid.

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 interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such Interest Payment Draft 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. 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 date(s) and in the following amount(s):

Date

Amount (\$)

Any amounts on deposit to the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Account of the Project Fund, or if the Project Fund has been closed as provided in Section 6.5(h) 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) Any funds received at Closing pursuant to the Construction Funding Agreement shall be applied as provided therein. Such provisions and procedures are herein incorporated by reference and deemed set forth herein in full.

(c) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The disbursement of funds from the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Construction Funding Agreement. Such provisions and procedures related to such disbursement contained in the Construction Funding Agreement, and no other provisions of the Construction Funding Agreement, are herein incorporated by reference and deemed set forth herein in full.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Phase #2 Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the 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 Phase #2 Improvements have been completed and that all Costs of the Phase #2 Improvements have been paid, or that any such Costs are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Project Fund to the Bond Fund and (ii) the Project Fund shall be closed.

(g) 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 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, and when accumulated maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement. 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. The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Prepayment and Delinquency Reserve Account on March 1 and September 1 of each year, commencing March 1, 2019 an amount equal to .50% of the interest rate component of the Annual Installments to the Prepayment and Delinquency Reserve Account. Once the Prepayment and Delinquency Reserve Requirement has accumulated in the Prepayment and Delinquency Reserve Account, all amounts in excess of the Prepayment and Delinquency Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds as provided in Article IV; provided, however, that at any time the amount on deposit in the Prepayment and Delinquency Reserve Account is less than the Prepayment and Delinquency Reserve Requirement, the Trustee shall resume depositing such amounts from the Bond Pledged Revenue Account into the Prepayment and Delinquency Reserve Account until the Prepayment and Delinquency Reserve Requirement has accumulated in the Prepayment and Delinquency Reserve Account.

(b) 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 Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Prepayment and Delinquency Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) 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 interest 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 Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds, or (iii) to the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Prepayment and Delinquency Reserve Account exceeds the Prepayment and Delinquency Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess. The amount of such excess on deposit in the Prepayment and Delinquency Reserve Account shall be transferred to the Redemption Fund.

(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 Prepayment and Delinquency 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. The Trustee shall determine the value of cash and investments on deposit in the Prepayment and Delinquency Reserve Account as of September 30 of each year. So long as no Event of Default under this Indenture shall have occurred and be continuing, if as of the date of such determination the value of cash and investments on deposit in the Prepayment and Delinquency Reserve Account exceeds the Prepayment and Delinquency Reserve Requirement for the Bonds, the Trustee shall transfer such excess at the written direction of the City.

(g) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Prepayment and Delinquency Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds.

(h) If, after a Reserve Fund withdrawal, 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 Outstanding Bonds as of such Interest Payment Date, the moneys 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 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 Order, 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 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 Order solely for the purposes set forth in the Service and Assessment Plan.

Section 6.10. Investment of Funds.

(a) Money in any Fund established pursuant to this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. 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 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 Order 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 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 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 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 Assessments.

The City hereby confirms, covenants, and agrees that, in the Phase #2 Assessment Ordinance, it has levied the Phase #2 Assessments against the respective Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding, and amounts are due to the Developer to reimburse it for its funds it has contributed to pay costs of the Phase #2 Improvements, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Phase #2 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Phase #2 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 Phase #2 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 Outstanding Bonds or any interest thereon remain outstanding and unpaid, and the obligation to the Developer to reimburse it for funds it has contributed to pay costs of the Phase #2 Improvements remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Phase #2 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 Phase #2 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 Phase #2 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 Order, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Order 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 to the 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 Phase #2 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 or 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 Registrar and Paying Agent for and in respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to 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 Administrative Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 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 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 hereunder prior to any Bonds Outstanding. 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 under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

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.

The Trustee shall have no duty or obligation to file or record any financing statements pursuant to the UCC. If necessary, the Trustee shall file or cause to be filed, such continuation statements as 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.

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 sixty-six and two-thirds percent (66-2/3%) 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 or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

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; and

(iv) 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.

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 sixty-six and two-thirds percent (66-2/3%) 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.

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 Phase #2 Assessments including the prosecution of foreclosure proceedings;

(iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days provided, however, that the payments are to be made only from Pledged Revenues and the Pledged Revenues must be 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 Owners of at least 25% of the Bonds then Outstanding, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under 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 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 Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(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 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 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, the Trustee, on behalf of the City, notwithstanding Section 11.2 hereof, 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.

(a) 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 Bond 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 Pledged Revenues.

(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 Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues 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 Pledged Revenues 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 Phase #2 Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 12.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations or Other Liens.

(a) The City reserves the right, subject to the contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from 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 thereof 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 reserve 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
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

Order, 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: Director of Finance

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.

As required by Chapter 2270 of the Texas Government Code, the Trustee hereby verifies that the Trustee (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Trustee) does not boycott Israel and will not boycott Israel through the term of this Indenture. For purposes of this 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 an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Section 15.11. Iran, Sudan, and Foreign Terrorist Organizations.

To the extent this Indenture is a governmental contract, within the meaning of Section 2252.151 of the Texas Government Code, as amended, the Trustee hereby acknowledges that the Trustee (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Trustee) is not listed by the Texas Comptroller as described in Section 2252.152 of the Texas Government Code.

[remainder of page left blank intentionally]

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: _____,
CHAD ANDERSON, Mayor Pro Tem

Attest:

VICKI FAULKNER, City Secretary

[CITY SEAL]

Approved as to Form:

LANCE VANZANT, City Attorney

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

Signature Page to Indenture of Trust

Attachment: Celina - Creeks of Legacy PID Phase 2 2018 - Bond Ordinance - MASTER (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

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 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #2 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 Pledged Revenues, 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, 2019, 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 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, 2018 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, 2018 (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 Costs of the Phase #2 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #2 Improvements (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of 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 \$5,000 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 principal amounts as set forth in the following schedule:

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
------------------------	------------------------------

*Stated Maturity.

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a pro rata selection, 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 Section 4.6 of 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 City reserves the right and option to redeem Bonds 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 the price of 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.

The City has reserved the right to issue Phased Bonds and Additional Obligations on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF CELINA, TEXAS, 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 above and numbered T-1.

EXHIBIT B
BOND PURCHASE AGREEMENT

Attachment: Celina - Creeks of Legacy PID Phase 2 2018 - Bond Ordinance - MASTER (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

\$6,875,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #2 PROJECT)

BOND PURCHASE AGREEMENT

August 14, 2018

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 \$6,875,000 aggregate principal amount of the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 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 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 Phase #2 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, 2018 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 6, 2018 (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 August 14, 2018 (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, 2018, 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 Phase #2 of the Creeks of Legacy Public Improvement District (the “District”). The District was established by a resolution enacted by the City Council on April 29, 2014 (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 Phase #2 Improvements and the method of payment of the Assessments was adopted pursuant to an ordinance of the City Council adopted on March 13, 2018 (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) financing the costs of the Phase

#2 Improvements (as defined in the Indenture) that will benefit the District, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #2 Improvements, (iii) funding a reserve fund for 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 Closing, 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 August 7, 2018 (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 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, Status of Development and Plan of Finance," "BOOK-ENTRY ONLY SYSTEM," "THE PHASE #2 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Phase #2 Improvements and the Development), "THE ASSESSMENT CONSULTANT AND ADMINISTRATOR," "LEGAL MATTERS — Litigation — The

Developer,” “CONTINUING DISCLOSURE – The Developer”, “CONTINUING DISCLOSURE – The Developer’s Compliance with Prior Agreements to Provide Continuing Disclosure,” and “INFORMATION RELATING TO THE TRUSTEE.” If such notification shall be subsequent to the Closing, 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 “Creeks of Legacy Development Agreement”, effective June 11, 2014, executed and delivered by the City and the Developer (the “Development Agreement”);

(4) the “Creeks of Legacy Public Improvement District Phase #2 Improvements Construction, Funding and Acquisition Agreement”, effective March 13, 2018, and executed and delivered by the City, the

Developer, CADG Creeks of Legacy West, LLC and CADG Creeks of Legacy Stonegate, LLC (the “CFA Agreement”);

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of September 1, 2018 (the “City Continuing Disclosure Agreement”), executed and delivered by the City, MuniCap Inc., and U.S. Bank National Association, as Dissemination Agent; and

(6) the various Landowner Agreements dated as of August 14, 2018 (collectively, the “Landowner Agreements”) executed (i) by the City and the Developer (the “Developer Landowner Agreement”); (ii) the City and First Texas Homes, Inc.; (iii) the City and CADG Creeks of Legacy West, LLC; (iv) the City and CADG Creeks of Legacy Stonegate, LLC and (v) Lennar Homes Texas Land and Construction, Ltd.;

(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 Development Agreement, (4) the CFA Agreement, (5) the Landowner Agreements, (6) the City Continuing Disclosure Agreement, (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 (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, Status of Development and Plan of Finance,” “BOOK-ENTRY ONLY SYSTEM,” “THE PHASE #2 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS' RISKS” (only as it pertains to the Developer, the Phase #2 Improvements and the Development), “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR,” “LEGAL MATTERS —

Litigation — The Developer,” “CONTINUING DISCLOSURE – The Developer”, “CONTINUING DISCLOSURE – The Developer’s Compliance with Prior Agreements to Provide Continuing Disclosure,” 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, Status of Development and Plan of Finance,” “BOOK-ENTRY ONLY SYSTEM,” “THE PHASE #2 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phase #2 Improvements and the Development), “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR,” “LEGAL MATTERS — Litigation — The Developer,” “CONTINUING DISCLOSURE – The Developer”, “CONTINUING DISCLOSURE – The Developer’s Compliance with Prior Agreements to Provide Continuing Disclosure,” 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 FirstSouthwest, a Division of 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. Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from 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 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 Developer as, in the opinion of Miklos Cinclair, PLLC (“Developer’s Counsel”), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in the Developer Letter of Representations, the Development Agreement, the CFA Agreement, the Developer Landowner Agreement, and the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of September 1, 2018 (the “Continuing Disclosure Agreement of the Developer,” and together with the Developer Letter of Representations,

the Development Agreement, the CFA Agreement, and the Developer Landowner Agreement, the “Developer Documents”), executed and delivered by the Developer and MuniCap, Inc. as PID Administrator, and U.S. Bank National Association as dissemination agent; 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 Phase #2 Improvements and the Development, 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 such Developer to pay the Assessments when due.

(d) Concurrent Closing of the Phase #1B Bonds. The City shall issue concurrently with the issuance of the Bonds its “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B Project).”

(e) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 9 below.

(f) 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 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 United States Securities and Exchange Commission (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 Developer’s Counsel. An opinion of Developer’s 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) Developer Certificate. The certificate of the Developer dated as of the Closing Date, signed by an authorized officer of Developer 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 the best of 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 persons, 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 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 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 Developer Documents. The City Documents and Developer 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 Developer, 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 in the District dated July 5, 2018.

(p) Letter of Representation of Assessment Consultant and PID Administrator. Letter of Representation of the Assessment Consultant and 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.

(q) Evidence of Filing of Creation Resolution, Assessment Ordinance, and Landowner Agreements. Evidence that (i) the Creation Resolution, including legal description of the District by metes and bounds, (ii) the Assessment Ordinance, including the Assessment Roll for Phase #2 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 First Bank, United Development Funding, IV, and First Continental Investment Co., Ltd. and any other lienholder on land in Phase #2 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 Phase #2 of the District was owned by the Developer 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 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 Developer 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, Developer’s 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 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., 100 Crescent Court, Suite 700, Dallas, Texas 76227, 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 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. No Boycott of Israel. The Underwriter hereby represents that it does not "Boycott Israel" (as such term is defined in Section 808.001, Texas Government Code, as amended) and, subject to or as otherwise required by applicable Federal law, including, without limitation, 50 U.S.C. Section 4607, hereby agrees not to Boycott Israel during the term of this Agreement, which for the purposes of this Section shall mean the end of the underwriting period unless this Agreement is terminated in accordance with the provisions hereof.

24. No Terrorist Organization. The Underwriter represents that, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, the Underwriter, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Underwriter is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code on the following website: <https://comptroller.texas.gov/purchasing/publications/divestment.php>.

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

Accepted at _____ a.m./p.m. central time on the
date first stated above.

CITY OF CELINA, TEXAS

By: _____
Mayor Pro Tem

SCHEDULE I

\$6,875,000
CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #2 PROJECT)

Interest Accrues From: Date of Delivery

\$6,875,000 ____% 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 “hold-the-offering-price rule”, 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.

\$6,875,000 Term Bonds Maturing September 1, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 2021	
September 1, 2022	
September 1, 2023	
September 1, 2024	
September 1, 2025	
September 1, 2026	
September 1, 2027	
September 1, 2028	
September 1, 2029	
September 1, 2030	
September 1, 2031	
September 1, 2032	
September 1, 2033	
September 1, 2034	
September 1, 2035	
September 1, 2036	
September 1, 2037	
September 1, 2038	
September 1, 2039	
September 1, 2040	
September 1, 2041	
September 1, 2042	
September 1, 2043	

September 1, 2044
September 1, 2045
September 1, 2046
September 1, 2047
September 1, 2048

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

\$6,875,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT Phase #2 Project)

DEVELOPER LETTER OF REPRESENTATIONS

August 7, 2018

City of Celina, Texas
 142 N. Ohio Street
 Celina, Texas 76201

FMSbonds, Inc.
 100 Crescent Court, Suite 700
 Dallas, Texas 76227

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 \$6,875,000 “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 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, CTMGT Frontier 80, LLC, a Texas limited liability company (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 (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 Developer, the Phase #2 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. Developer Documents. 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 Developer, enforceable against Developer in accordance with its terms:

- (a) this Developer Letter of Representation;
- (b) that certain Creeks of Legacy Development Agreement, effective June 11, 2014, executed and delivered by the City and the Developer;
- (c) that certain Creeks of Legacy Public Improvement District Phase #2 Improvements Construction, Funding and Acquisition Agreement, effective March 13, 2018, and executed and delivered by the City, the Developer, CADG Creeks of Legacy West, LLC and CADG Creeks of Legacy Stonegate, LLC;
- (d) that certain Landowner Agreement dated as of August 14, 2018, executed and delivered by the City and the Developer;

(e) that certain Continuing Disclosure Agreement of the Developer, dated as of September 1, 2018 made by and among the Developer, U.S. Bank National Association, as dissemination agent and MuniCap, Inc., as Administrator.

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. The 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 the Developer provided by the 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 Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which Developer is 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 Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of 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 Development in accordance with the description thereof in the Preliminary 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. The Developer represents and warrants that the information set forth in the Preliminary Limited Offering Memorandum under the captions "PLAN OF FINANCE — Development Plan, Status of Development and Plan of Finance," "THE PHASE #2 IMPROVEMENTS" "THE DEVELOPMENT," "THE DEVELOPER" "CONTINUING DISCLOSURE – The Developer", "CONTINUING DISCLOSURE – The Developer's Compliance with Prior Agreements to Provide Continuing Disclosure," and, to the best of the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Phase #2 Improvements and the Development, as defined

in the Limited Offering Memorandum) and “LEGAL MATTERS — Litigation — The Developer” 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 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 Developer is a party described in the Preliminary Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Phase #2 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 Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “PLAN OF FINANCE — Development Plan, Status of Development and Plan of Finance,” “THE PHASE #2 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phase #2 Improvements, and the Development), “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE – The Developer” and “CONTINUING DISCLOSURE – The Developer’s Compliance with Prior Agreements to Provide Continuing Disclosure,” 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 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.

DEVELOPER:

CTMGT FRONTIER 80, LLC,
a Texas limited liability company

By: Centamar Terras, LLC,
a Texas limited liability company
Its Manager

By: CTMGT, LLC,
a Texas limited liability company
Its Manager and Member

By: _____
Name: Mehrdad Moayed
Its: Manager and Member

APPENDIX B

\$6,875,000

CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #2 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 distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail 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, 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 August 14, 2018.

(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 _____, 2018.

FMSbonds, Inc.

By: _____

Name: _____

Title: _____

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: Celina - Creeks of Legacy PID Phase 2 2018 - Bond Ordinance - MASTER (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

APPENDIX C

[LETTERHEAD OF MESSER, ROCKEFELLER & FORT]

September 6, 2018

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

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

\$6,875,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #2 PROJECT)

Ladies and Gentlemen:

We are the Attorney for the City of Celina, Texas (the “City”) for limited purposes, and are rendering this opinion in connection with the issuance and sale of \$6,875,000 “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 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 August 14, 2018 (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, 2018 (the “Indenture”) by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed the:

- (a) The Resolution No. _____ (the “Creation Resolution”), enacted by the City Council on April 28, 2014.
- (b) The Ordinance No. _____, adopted by the City Council on March 13, 2018 (the “Assessment Ordinance”).
- (c) The Bond Ordinance.

(d) The Indenture.

(e) That certain Creeks of Legacy Development Agreement, effective as of June 11, 2014 (the “Development Agreement”).

(f) That certain Continuing Disclosure Agreement of Issuer, dated as of September 1, 2018, executed and delivered by the City and U.S. Bank National Association (the “Dissemination Agent”).

(g) Those certain Landowner Agreements dated as of August 14, 2018 (collectively, the “Landowner Agreements”) executed (i) by the City and the Developer; (ii) the City and First Texas Homes, Inc.; (iii) the City and CADG Creeks of Legacy West, LLC; (iv) the City and CADG Creeks of Legacy Stonegate, LLC and (v) Lennar Homes Texas Land and Construction, Ltd.

The Creation Resolution, the Assessment Ordinance and Bond Ordinance shall herein after be referred to as the “Authorizing Documents” and the remaining documents shall herein after be collectively referred to as the “City Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the City Documents by all parties other than the City.

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 Authorizing Documents and the City 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 City 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 Phase #2 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 City 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 City 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 City 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, and (c) the application of Texas 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 City Documents will not violate any provision of any Federal or Texas 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 City Documents.

7. The City has duly authorized, executed and delivered the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

8. The adoption of the Authorizing Documents and the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City 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.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

MESSER, ROCKEFELLER & FORT
 ATTORNEY FOR THE CITY

cc:
 City of Celina
 Attn: City Manager
 142 N. Ohio Street
 Celina, Texas 76201

APPENDIX D

[LETTERHEAD OF MIKLOS CINCLAIR]

September 6, 2018

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

U.S. Bank National Association
Attention: Bond Operations
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402

Messer, Rockefeller & Fort
63351 Preston Rd., Suite 350
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

\$6,875,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #2 PROJECT)

Ladies & Gentlemen:

We have acted as special counsel to CTMGT Frontier 80, LLC, a Texas limited liability company (the “*Developer*”) in connection with the issuance and sale by the City of Celina, Texas (the “*City*”), of \$6,875,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 Project) (the “*Bonds*”), pursuant to the Indenture of Trust dated as of September 1, 2018 (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 “Creeks of Legacy” (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 August 14, 2018 (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 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 (collectively, the “*Material Documents*”):

(1) the *Creeks of Legacy Development Agreement*, effective as of June 11, 2014, between the City and the Developer;

(2) *Creeks of Legacy Public Improvement District Phase #2 Improvements Construction, Funding and Acquisition Agreement*, effective March 13, 2018, and executed and delivered by the City, the Developer, CADG Creeks of Legacy West, LLC and CADG Creeks of Legacy Stonegate, LLC;

(3) the *Landowner Agreement*, dated as of August 14, 2018, between the City and the Developer;

(4) the *Continuing Disclosure Agreement of Developer* dated as of September 1, 2018 among the Developer, Municap, Inc., as Administrator and U.S. Bank National Association, as Dissemination Agent; and

(5) the *Developer Letter of Representations* dated as of August 7, 2018;

(b) General Certificate of the Developer and the Closing Certificate of the Developer, each dated as of the date hereof (together, the “*Developer Certificate*”);

(c) The Preliminary Limited Offering Memorandum, dated August 7, 2018 relating to the issuance of the Bonds (the “*Preliminary Limited Offering Memorandum*”);

(d) The final Limited Offering Memorandum, dated August 14, 2018, 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 Developer 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 Developer 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 Developer), 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 Developer 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 Developer 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 City 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 Developer) 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 Developer) has full City 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 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; or (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Developer to perform its obligations under the Material Documents to which it is a party.

2. To our knowledge, no governmental approval 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 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).

3. The Developer 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 Developer, enforceable against the Developer 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 Developer of its obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Developer.

4. To our knowledge after reasonable inquiry, there are no actions, suits or proceedings pending or threatened against the Developer identified in the Developer 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 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.

6. The information set forth in the Limited Offering Memorandum under the captions “*PLAN OF FINANCE — Development Plan, Status of Development and Plan of Finance*,” “*THE PHASE #2 IMPROVEMENTS*,” “*THE DEVELOPMENT*,” “*THE DEVELOPER*,” “*BONDHOLDERS’ RISKS*” (only as it pertains to the Developer, the Phase #2 Improvements, and the Development, as defined in the Limited Offering Memorandum), “*LEGAL MATTERS — Litigation — The Developer*,” “*CONTINUING DISCLOSURE – The Developer*”, and “*CONTINUING DISCLOSURE – The Developer’s Compliance with Prior Agreements to Provide Continuing Disclosure*” 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 Developer 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 Developer Certificates, as well as the representations of the Developer 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 Developer is a party or by which the Developer is 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,

APPENDIX E

CLOSING CERTIFICATE OF DEVELOPER

CTMGT Frontier 80, LLC, a Texas limited liability company (“Developer”), DOES 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. Developer is a limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of 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 \$6,875,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 Project) (the “Bonds”), pursuant to the City’s Preliminary Limited Offering Memorandum, dated August 7, 2018 and Limited Offering Memorandum dated August 14, 2018 (together, the “Limited Offering Memorandum”).

3. 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 and are in full force and effect as of the date hereof.

4. The Developer has 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 Developer.

5. 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 Developer, enforceable against Developer in accordance with its terms:

- (a) that certain Developer Letter of Representation dated August 7, 2018;
- (b) that certain Creeks of Legacy Development Agreement, effective June 11, 2014, executed and delivered by the City and the Developer;
- (c) that certain Creeks of Legacy Public Improvement District Phase #2 Improvements Construction, Funding and Acquisition Agreement, effective March 13, 2018, and executed and delivered by the City, the Developer, CADG Creeks of Legacy West, LLC and CADG Creeks of Legacy Stonegate, LLC;
- (d) that certain Landowner Agreement dated as of August 14, 2018, executed and delivered by the City and the Developer; and

(e) that certain Continuing Disclosure Agreement of the Developer, dated as of September 1, 2018 made by and among the Developer, U.S. Bank National Association, as dissemination agent and MuniCap, Inc., as Administrator.

6. 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.

7. The execution and delivery of the Developer Documents by Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which Developer is a party. To the Developer's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of 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 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, Status of Development and Plan of Finance," "THE PHASE #2 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Phase #2 Improvements, and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE – The Developer", and "CONTINUING DISCLOSURE – The Developer's Compliance with Prior Agreements to Provide Continuing Disclosure" 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 Developer and the portion of the Development owned by such 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 Limited Offering Memorandum.

9. Developer is 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 Developer or any portion of the Development that would materially and adversely affect Developer's 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. 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.

11. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in Phase #2 of the District owned by Developer will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which Developer is a party or to which Developer or any of its property or assets is subject.

12. 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 development of the Development.

13. Developer has no knowledge of any physical condition of the Development owned or to be developed by 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.

Dated: _____, 2018

DEVELOPER:

CTMGT FRONTIER 80, LLC,
a Texas limited liability company

By: Centamar Terras, LLC,
a Texas limited liability company
Its Manager

By: CTMGT, LLC,
a Texas limited liability company
Its Manager and Member

By: _____
Name: Mehrdad Moayed
Its: Manager and Member

APPENDIX F**[LETTERHEAD OF APPRAISER]**

September 6, 2018

City of Celina, Texas
 142 N. Ohio Street
 Celina, Texas 76201

FMSbonds, Inc.
 100 Crescent Court, Suite 700
 Dallas, Texas 75201

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 2018 (Creeks of Legacy Public Improvement District Phase #2 Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, appraiser of (i) the undeveloped property contained in Creeks of Legacy 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 August 7, 2018, and the Limited Offering Memorandum for the Bonds, dated on or about August 14, 2018 (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 Phase #2 of the District, located in APPENDIX E to the Limited Offering Memorandum, and the description thereof, set forth under the caption “APPRAISAL OF PROPERTY WITHIN PHASE #2 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 September 6, 2018) 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: _____

APPENDIX G

[LETTERHEAD OF ASSESSMENT CONSULTANT AND ADMINISTRATOR]

September 6, 2018

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

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 2018 (Creeks of Legacy Public Improvement District Phase #2 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 Creeks of Legacy 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 August 7, 2018 (the “Preliminary Limited Offering Memorandum”), and the final Limited Offering Memorandum, dated on or about August 14, 2018 (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,” THE ASSESSMENT CONSULTANT AND ADMINISTRATOR – Assessment Consultant,” “ASSESSMENT DATA FOR PHASES #2-3 MAJOR IMPROVEMENT ASSESSMENTS,” and “OVERLAPPING TAXES AND DEBT – Effective Bonded Indebtedness of Phase #2 of the District” (including Table 3 and Table 4 therein) and (c) 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 6, 2018) 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: _____

EXHIBIT C
CONTINUING DISCLOSURE AGREEMENT

Attachment: Celina - Creeks of Legacy PID Phase 2 2018 - Bond Ordinance - MASTER (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #2 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of September 1, 2018 (this “Disclosure Agreement”) is executed and delivered by and between the City of Celina, Texas (the “Issuer”) and U.S. Bank National Association (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 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, 2018, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“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 provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

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

“Developer” shall mean CTMGT Frontier 80, LLC, a Texas limited liability company, and its successors and assigns.

“Disclosure Agreement of the Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of September 1, 2018 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the Finance Director 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 U.S. Bank National Association, 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 Creeks of Legacy Public Improvement District.

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

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

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum relating to the Bonds dated as of August 14, 2018.

“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 reports pursuant to the Rule.

“Outstanding” shall have the meaning given to it in the Indenture.

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

“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.

“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 form required by the MSRB, commencing with the Fiscal Year ended September 30, 2018, 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 twelve months after the end of the Issuer's Fiscal Year, commencing with the Fiscal Year ended September 30, 2018. 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.

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

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

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

(ii) The amounts in the funds and accounts securing the Bonds.

(c) Updates to the information in the Service and Assessment Plan ("SAP") as most recently amended or supplemented, including any changes to the methodology for levying the Assessments in Phase #2.

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

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

(f) 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.

(g) Financial information and operating data with respect to the Issuer of the general type included in the final Limited Offering Memorandum, being information of the type under the headings “OVERLAPPING TAXES AND DEBT — Table 4 — TIRZ Collection and Credit Information in Phase #2 of the District,” and “ASSESSMENT DATA AND ASSESSED VALUATION — Table 5 — Collection and Delinquency History of Phases #2-3 Major Improvement Assessments in Phase #2 of the District” therein; provided that the information of the type included under the subheading ASSESSMENT DATA AND ASSESSED VALUATION — Table 5 — Collection and Delinquency History in Phases #2-3 Major Improvement Assessments in Phase #2 of the District” shall be provided both as of the end of the Fiscal Year and through February 1 of the calendar year immediately succeeding such Fiscal Year and shall be presented for both the Phases #2-3 Major Improvement Assessments and the Assessments, as each such term is defined in the Limited Offering Memorandum.

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

See Exhibit B hereto for a form for submitting the information set forth Section 4(a) above. 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.
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.

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.

Whenever the Issuer obtains knowledge of 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.

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 in writing 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, 10, 13, or 14 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 (d).

(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 the 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 U.S. Bank National Association.

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 as provided in the Indenture), 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 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 Assessments collected from the property owners in Phase #2 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.

SECTION 12. Assessment Timeline. 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 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 Annual Collection Costs 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 Assessments collected from the property owners in Phase #2 of the District, for its fees and expenses for the Dissemination Agent's services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. 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.

[remainder of page left blank intentionally]

CITY OF CELINA, TEXAS

By: _____
Mayor Pro-Tem

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

Attachment: Celina - Creeks of Legacy PID Phase 2 2018 - Bond Ordinance - MASTER (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

U.S. BANK NATIONAL ASSOCIATION
(as Dissemination Agent)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

Attachment: Celina - Creeks of Legacy PID Phase 2 2018 - Bond Ordinance - MASTER (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

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 2018
 (Creeks of Legacy Public Improvement District Phase #2 Project)
 Date of Delivery: _____, 2018

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 dated September 1, 2018, between the Issuer and U.S. Bank National Association, as Dissemination Agent. The Issuer anticipates that [the Annual Issuer Report][annual audited financial statements] will be filed by _____.

Dated: _____

U.S. Bank National Association
 on behalf of the City of Celina, Texas
 (as Dissemination Agent)

By: _____

Title: _____

cc: City of Celina, Texas

Attachment: Celina - Creeks of Legacy PID Phase 2 2018 - Bond Ordinance - MASTER (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

EXHIBIT B

CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #2 PROJECT)

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20__

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

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

TIRZ COLLECTION AND CREDIT INFORMATION IN PHASE #2 OF THE DISTRICT

TIRZ CREDIT TO ASSESSMENTS IN PHASE #2 OF THE DISTRICT			
Tax Year	Total Tax Increment Collected and Applied as TIRZ Credit in Phase #2 the District	Total TIRZ Credit Per Equivalent Unit (\$)	Tax Equivalent Rate of TIRZ Credit Per Equivalent Unit (per \$100/Assessed Value)

COLLECTION AND DELINQUENCY HISTORY OF PHASES #2-3 MAJOR IMPROVEMENT ASSESSMENTS IN PHASE #2 OF THE DISTRICT

Fiscal Year <u>Ending 9/30</u>	Assessment <u>Levied</u>	Delinquent Amount as of 2/1_ (following year)	Delinquent Percentage as of 2/1 (following year)	Delinquent Amount as of 9/1 (following year)	Delinquent Percentage as of 9/1 (following year)	Assessments <u>Collected</u>⁽²⁾

COLLECTION AND DELINQUENCY HISTORY OF ASSESSMENTS FOR PHASE #2 PROJECTS IN PHASE #2 OF THE
DISTRICT

<u>Fiscal Year Ending 9/30</u>	<u>Assessment Levied</u>	<u>Delinquent Amount as of 2/1_ (following year)</u>	<u>Delinquent Percentage as of 2/1 (following year)</u>	<u>Delinquent Amount as of 9/1 (following year)</u>	<u>Delinquent Percentage as of 9/1 (following year)</u>	<u>Assessments Collected⁽²⁾</u>

ADDITIONAL ITEMS REQUIRED BY SECTION 4(a)(ii) - (vi)

[Insert a line item for each applicable listing]

EXHIBIT C

**BASIC EXPECTED TIMELINE FOR SPECIAL ASSESSMENT COLLECTIONS
AND PURSUIT OF DELINQUENCIES^{*}**

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	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 Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Trustee and Dissemination Agent should be immediately notified. Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding 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 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 insufficient 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, the

^{*} Illustrates anticipated dates and procedures for pursuing the collection of delinquent Assessments, which dates and procedures are subject to adjustment.

March 1	28/29	collection-foreclosure procedure will proceed against all delinquent properties. Trustee pays bond interest payments to bondholders. 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 the Reserve Fund.
July 1	150/151	Issuer, or the Administrator on behalf of the 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. Issuer and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies. 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. 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.
August 15	195/196	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 August 15 (day 195/196). Foreclosure action to be filed with the court. Issuer notifies Trustee and Dissemination Agent

of Foreclosure filing status. Dissemination Agent notifies bondholders.

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.

EXHIBIT D
LANDOWNER AGREEMENTS

Attachment: Celina - Creeks of Legacy PID Phase 2 2018 - Bond Ordinance - MASTER (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

LANDO ☐ NER AGREEMENT

This **LANDO ☐ NER AGREEMENT** (the “Agreement”), is entered into as of August 14, 2018, between the City of Celina, Texas (the “City”), a home rule municipality of the State of Texas (the “State”), and CADG Creeks of Legacy Stonegate, LLC, a Texas limited liability company (the “Landowner”).

RECITALS ☐

☐ **HEREAS**, 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 Creeks of Legacy Public Improvement District (the “District”) in the City; and

☐ **HEREAS**, the City Council has adopted an assessment ordinance for the Phase #2 Improvements (including all exhibits and attachments thereto, the “Phase #2 Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Phase #2 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 Phase #2 of the District (as identified in the Service and Assessment Plan) that will be 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 Phase #2 Improvements that will benefit the Phase #2 Assessed Property (as defined in the Service and Assessment Plan); and

☐ **HEREAS**, 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.

NO ☐ , 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 LANDO ☐ NER

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 Phase #2 Improvements on the Landowner Parcel and on the property within Phase #2 of the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Phase #2 Assessment Ordinance; and

(iii) the Phase #2 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 Phase #2 of the District, as shown on the assessment roll attached as Appendix H to the Service and Assessment Plan (the "Phase #2 Assessment Roll");

(ii) the Phase #2 Improvements specially benefit Phase #2 of the District, and the Landowner's Parcel, in an amount in excess of the Assessment levied on the Landowner's Parcel within Phase #2 of the District, as such Assessment is shown on the Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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. O□ NERSHIP AND CONSTRUCTION OF PHASE #2 IMPROVEMENTS

A. Ownership and Transfer of Phase #2 Improvements. Landowner acknowledges that all of the Phase #2 Improvements and the land (or easements, as applicable) needed therefor shall be owned by the City once accepted by and conveyed to the City 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 Phase #2 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 Phase #2 Improvements on the property within Phase #2 of the District, to stage on the property within Phase #2 of the District construction trailers, building materials and equipment to be used in connection with such construction of the Phase #2 Improvements and for passage and use over and across parts of the property within Phase #2 of the District as shall be reasonably necessary during the construction of the Phase #2 Improvements. Any subsequent owner of the Landowner’s Parcel may require that each contractor constructing the Phase #2 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 Phase #2 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 Phase #2 Improvements on those portions of the property within Phase #2 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 Phase #2 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 Phase #2 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, Rockefeller □ Fort, PLLC 6371 Preston Road, Suite 200 Frisco, Texas 75034
To the Developer:	Attn: Mehrdad Moayed CADG Creeks of Legacy Stonegate, 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 Phase #2 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.

[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 _____, 2018 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]

LANDOWNER

CADG Creeks of Legacy Stonegate, 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

STATE OF TEXAS ☐

COUNTY OF DALLAS ☐

This instrument was acknowledged before me on the _____ day of _____, 2018 by Mehrdad Moayedi, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Member of CADG Creeks of Legacy Stonegate, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

[Signature Page Landowner Agreement]

LANDO ☐ NER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDO ☐ NER'S PARCEL

PROPERTY DESCRIPTION ☐

BEING that certain tract of land situated in the J. McKinn Survey, Abstract Number 889, and the W. Phillips Survey, Abstract Number 1029, Denton County, Texas and being a portion of that tract of land described by deed to CADG Creeks of Legacy Stonegate, LLC., recorded in Instrument Number 2017-89840, Real Property Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a southeast corner of said CADG Creeks of Legacy Stonegate tract, being the in the north line of that tract of land described by deed to 28 Frontier Partners, LLC., recorded in Instrument Number 2017-61624, Said Real Property Records and being the southwest corner of that 1.254 acre tract of land described by deed to the City of Celina recorded in Instrument Number 2014-65868, said Real Property Records;

THENCE with the south line of said CADG Creeks of Legacy Stonegate tract and the north line of said 28 Frontier Partners tract the following courses and distances:

S 89°28'55"W, 167.03 feet, to the beginning of a curve to the left;

With said curve to the left, an arc distance of 167.94 feet, through a central angle of 40°56'46", having a radius of 235.00 feet, the long chord which bears S 69°00'32"W, 164.39 feet;

S 48°32'09"W, 159.09 feet, to the beginning of a curve to the right;

With said curve to the right, an arc distance of 194.09 feet, through a central angle of 19°40'57", having a radius of 565.00 feet, the long chord which bears S 58°22'38"W, 193.14 feet to the beginning of a reverse curve to the left;

With said reverse curve to the left, an arc distance of 119.79 feet, through a central angle of 34°19'00", having a radius of 200.00 feet, the long chord which bears S 51°03'36"W, 118.01 feet;

S 33°54'06"W, 214.10 feet, to the beginning of a curve to the left;

With said curve to the left, an arc distance of 72.07 feet, through a central angle of 29°29'38", having a radius of 140.00 feet, the long chord which bears S 19°09'18"W, 71.27 feet;

THENCE N 03°24'48"E, 49.15 feet, departing said common line over and across said CADG Creeks of Legacy Stonegate tract;

THENCE N 08°27'05"E, 49.16 feet;

THENCE N 13°11'11"E, 49.16 feet;

THENCE N 17°55'16"E, 49.16 feet;

THENCE N 22°39'22"E, 49.16 feet;

THENCE N 27°23'27"E, 49.16 feet;

THENCE N 32°07'33"E, 49.16 feet;

THENCE N 36°51'38"E, 49.16 feet;

THENCE N 41°35'44"E, 49.16 feet;

THENCE N 46°19'49"E, 49.16 feet;

THENCE N 51°03'55"E, 49.16 feet;

THENCE N 55°48'00"E, 49.16 feet;

THENCE N 31°49'57"W, 125.00 feet, to the beginning of a non-tangent curve to the left;

THENCE with said non-tangent curve to the left, an arc distance of 78.68 feet, through a central angle of 06°15'41", having a radius of 720.00 feet, the long chord which bears S 55°02'12"W, 78.64 feet;

THENCE N 38°05'38"W, 50.00 feet, to the beginning of a non-tangent curve to the right;

THENCE with said non-tangent curve to the right, an arc distance of 27.00 feet, through a central angle of 02°00'34", having a radius of 770.00 feet, the long chord which bears N 52°54'39"E, 27.00 feet;

THENCE N 10°24'39"E, 14.42 feet;

THENCE N 33°28'46"W, 230.09 feet;

THENCE N 79°19'33"W, 13.94 feet, to the beginning of a non-tangent curve to the left;

THENCE with said non-tangent curve to the left, an arc distance of 33.32 feet, through a central angle of 01°52'18", having a radius of 1020.00 feet, the long chord which bears S 53°37'06"W, 33.32 feet;

THENCE N 37°19'03"W, 50.00 feet, to the beginning of a non-tangent curve to the right;

THENCE with said non-tangent curve to the right, an arc distance of 36.67 feet, through a central angle of $01^{\circ}57'49''$, having a radius of 1070.00 feet, the long chord which bears N $53^{\circ}39'52''$ E, 36.67 feet;

THENCE N $10^{\circ}43'15''$ E, 14.34 feet;

THENCE N $33^{\circ}28'46''$ W, 15.27 feet;

THENCE N $56^{\circ}31'14''$ E, 50.00 feet;

THENCE N $33^{\circ}28'46''$ W, 98.65 feet, to the north west line of said CADG Creels of Legacy Stonegate tract, being the southeast line of that tract of land described by deed to CADG Creeks of Legacy West, LLC., recorded in Instrument Number 2017-89907, said Real Property Records;

THENCE with said common line the following bearings and distances:

N $57^{\circ}47'20''$ E, 52.87 feet;

N $29^{\circ}02'37''$ W, 600.03 feet;

N $61^{\circ}50'22''$ E, 84.54 feet;

N $64^{\circ}11'50''$ E, 63.17 feet;

N $66^{\circ}09'28''$ E, 59.66 feet;

N $68^{\circ}03'44''$ E, 59.66 feet;

N $69^{\circ}58'00''$ E, 59.66 feet;

N $71^{\circ}52'17''$ E, 59.66 feet;

N $73^{\circ}46'33''$ E, 59.66 feet;

N $75^{\circ}40'49''$ E, 59.66 feet;

N $77^{\circ}35'05''$ E, 59.66 feet;

N $79^{\circ}29'21''$ E, 59.66 feet;

N $81^{\circ}23'37''$ E, 59.66 feet;

N $83^{\circ}17'54''$ E, 59.66 feet;

N $85^{\circ}12'10''$ E, 59.66 feet;

N 87°06'26"E, 59.66 feet;

N 89°00'42"E, 59.66 feet;

S 89°33'40"E, 69.91 feet;

S 75°27'34"E, 61.85 feet;

S 89°29'45"E, 125.98 feet, to the northeast corner of said CADG Creeks of Legacy Stonegate tract, being the southeast corner of said CADG Creeks of Legacy West tract and being in the west line of that 1.217 acre tract of land described by deed to the City of Celina recorded in Instrument Number 2014-65868, said Real Property Records;

THENCE S 00°30'23"W, 1177.67 feet, with the east line of said CADG Creeks of Legacy Stonegate tract and the west line of said City of Celina tract to the **Point of Beginning** and containing 114,6779 square feet or 26.326 acres of land more or less.

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 _____ by _____, LLC a Texas _____ (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 Creeks of Legacy Public Improvement District No (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 Phase #2 Assessment Ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the "Phase #2 Assessment Ordinance") and the Service and Assessment Plan included as an exhibit to the Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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.

- ☐ **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, _____, Celina, Texas _____.

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.

LANDO □ NER

a Texas _____,

By: _____

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the ___ day of _____, 20____, by _____ in his capacity as _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of _____.

Notary Public, State of Texas

My Commission Expires:

LANDO □ NER AGREEMENT - EXHIBIT III
HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit III, the recorded Notice of the Authorization and Establishment of the Creeks of Legacy Public Improvement District 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 Phase #2 Assessment Roll for such Assessed Parcel (or if the Phase #2 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.

LANDO ☐ NER AGREEMENT

This **LANDO ☐ NER AGREEMENT** (the “Agreement”), is entered into as of August 14, 2018, between the City of Celina, Texas (the “City”), a home rule municipality of the State of Texas (the “State”), and CADG Creeks of Legacy West, LLC, a Texas limited liability company (the “Landowner”).

RECITALS ☐

☐ **HEREAS**, 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 Creeks of Legacy Public Improvement District (the “District”) in the City; and

☐ **HEREAS**, the City Council has adopted an assessment ordinance for the Phase #2 Improvements (including all exhibits and attachments thereto, the “Phase #2 Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Phase #2 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 Phase #2 of the District (as identified in the Service and Assessment Plan) that will be 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 Phase #2 Improvements that will benefit the Phase #2 Assessed Property (as defined in the Service and Assessment Plan); and

☐ **HEREAS**, 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.

NO ☐ , 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 LANDO ☐ NER

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 Phase #2 Improvements on the Landowner Parcel and on the property within Phase #2 of the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Phase #2 Assessment Ordinance; and

(iii) the Phase #2 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 Phase #2 of the District, as shown on the assessment roll attached as Appendix H to the Service and Assessment Plan (the "Phase #2 Assessment Roll");

(ii) the Phase #2 Improvements specially benefit Phase #2 of the District, and the Landowner's Parcel, in an amount in excess of the Assessment levied on the Landowner's Parcel within Phase #2 of the District, as such Assessment is shown on the Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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. O□ NERSHIP AND CONSTRUCTION OF PHASE #2 IMPROVEMENTS

A. Ownership and Transfer of Phase #2 Improvements. Landowner acknowledges that all of the Phase #2 Improvements and the land (or easements, as applicable) needed therefor shall be owned by the City once accepted by and conveyed to the City 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 Phase #2 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 Phase #2 Improvements on the property within Phase #2 of the District, to stage on the property within Phase #2 of the District construction trailers, building materials and equipment to be used in connection with such construction of the Phase #2 Improvements and for passage and use over and across parts of the property within Phase #2 of the District as shall be reasonably necessary during the construction of the Phase #2 Improvements. Any subsequent owner of the Landowner’s Parcel may require that each contractor constructing the Phase #2 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 Phase #2 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 Phase #2 Improvements on those portions of the property within Phase #2 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 Phase #2 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 Phase #2 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, Rockefeller □ Fort, PLLC 6371 Preston Road, Suite 200 Frisco, Texas 75034
To the Developer:	Attn: Mehrdad Moayed CADG Creeks of Legacy West, 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 Phase #2 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.

[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 _____, 2018 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]

LANDOWNER

CADG Creeks of Legacy West, 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 _____, 2018 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 Creeks of Legacy West, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

[Signature Page Landowner Agreement]

LANDO ☐ NER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDO ☐ NER'S PARCEL

PROPERTY DESCRIPTION ☐

BEING that certain tract of land situated in the J. McKinn Survey, Abstract Number 889, the W. Phillips Survey, Abstract Number 1029 and the A. Thomasson Survey, Abstract Number 1265, Denton County, Texas and being a portion of that tract of land described by deed to CADG Creeks of Legacy West. LLC., recorded in Instrument Number 2017-89907, Real Property Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at the northeast corner of said CADG Creeks of Legacy West tract, being in the south line of that tract of land described by deed to Sangani Properties II, L.P., recorded in Instrument Number 2007-65515, said Real Property Records and being in the west line of that 1.217 acre tract of land described by deed to the City of Celina recorded in Instrument Number 2014-65868, said Real Property Records;

THENCE S 00°30'23"W, 616.55 feet, with the west line of said CADG Creeks of Legacy West tract to a southeast corner of said CADG Creeks of Legacy west tract, being the northeast corner of that tract of land described by deed to CADG Creeks of Legacy Stonegate, LLC., recorded in Instrument Number 2017-89840, said Real Property Records;

THENCE departing said common line with the south line of said CADG Creeks of Legacy West tract and the north line of said CADG Creeks of Legacy Stonegate tract the following bearings and distances:

N 89°29'45"W, 125.98 feet;

N 75°27'34"W, 61.85 feet;

N 89°33'40"W, 69.91 feet;

S 89°00'42"W, 59.66 feet;

S 87°06'26"W, 59.66 feet;

S 85°12'10"W, 59.66 feet;

S 83°17'54"W, 59.66 feet;

S 81°23'37"W, 59.66 feet;

S 79°29'21"W, 59.66 feet;

S 77°35'05"W, 59.66 feet;

S 75°40'49"W, 59.66 feet;

S 73°46'33"W, 59.66 feet;

S 71°52'17"W, 59.66 feet;

S 69°58'00"W, 59.66 feet;

S 68°03'44"W, 59.66 feet;

S 66°09'28"W, 59.66 feet;

S 64°11'50"W, 63.17 feet;

S 61°50'22"W, 84.54 feet;

S 29°02'37"E, 600.03 feet;

S 57°47'20"W, 52.87 feet;

THENCE N 33°28'46"W, 126.13 feet, departing said common line over and across said CADG Creeks of Legacy West tract to the beginning of a curve to the left;

THENCE with said curve to the left, an arc distance of 28.23 feet, through a central angle of 32°21'11", having a radius of 50.00 feet, the long chord which bears N 49°39'21"W, 27.86 feet;

THENCE N 24°10'03"E, 20.00 feet;

THENCE N 32°02'19"W, 137.35 feet;

THENCE S 56°49'09"W, 59.60 feet;

THENCE N 34°19'23"W, 125.00 feet, to the beginning of a non-tangent curve to the left;

THENCE with said non-tangent curve to the left, an arc distance of 25.38 feet, through a central angle of 00°53'52", having a radius of 1620.00 feet, the long chord which bears S 55°13'41"W, 25.38 feet;

THENCE N 35°13'15"W, 50.00 feet, to the beginning of a non-tangent curve to the right;

THENCE with said non-tangent curve to the right, an arc distance of 15.76 feet, through a central angle of 00°32'26", having a radius of 1670.00 feet, the long chord which bears N 55°02'58"E, 15.76 feet;

THENCE N 11°00'27"E, 14.27 feet;

THENCE N 33°28'46"W, 230.02 feet;

THENCE N 78°55'51"W, 14.03 feet;

THENCE S 56°31'14"W, 20.00 feet;

THENCE N 33°28'46"W, 50.00 feet;

THENCE N 56°31'14"E, 20.00 feet;

THENCE N 11°03'35"E, 14.26 feet;

THENCE N 33°28'46"W, 115.01 feet;

THENCE S 56°31'14"W, 143.84 feet;

THENCE N 38°05'14"W, 60.19 feet;

THENCE S 56°31'14"W, 110.76 feet, to the west line of said CADG Creeks of Legacy West tract, being the east line of that tract of land described by deed to Merritt / Thornton Farm Partnership, L.P., recorded in Instrument Number 99-096579, said Real Property Records;

THENCE N 00°29'21"E, 736.82 feet, with said common line to the northwest corner of said CADG Creeks of Legacy West tract;

THENCE N 89°24'55"E, 1679.79 feet, with the north line of said CADG Creeks of Legacy West tract to the **Point of Beginning** and containing 1,216,766 square feet or 27.933 acres of land more or less.

LANDO[®] NER 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 _____ by _____, LLC a Texas _____ (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 Creeks of Legacy Public Improvement District No (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 Phase #2 Assessment Ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the "Phase #2 Assessment Ordinance") and the Service and Assessment Plan included as an exhibit to the Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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.

- ☐ **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, _____, Celina, Texas _____.

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.

LANDO □ NER

a Texas _____,

By: _____

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the ___ day of _____, 20____, by _____ in his capacity as _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of _____.

Notary Public, State of Texas

My Commission Expires:

LANDO □ NER AGREEMENT - EXHIBIT III
HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit III, the recorded Notice of the Authorization and Establishment of the Creeks of Legacy Public Improvement District 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 Phase #2 Assessment Roll for such Assessed Parcel (or if the Phase #2 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.

LANDO ☐ NER AGREEMENT

This **LANDO ☐ NER AGREEMENT** (the “Agreement”), is entered into as of August 14, 2018, between the City of Celina, Texas (the “City”), a home rule municipality of the State of Texas (the “State”), and CTMGT Frontier 80, LLC, a Texas limited liability company (the “Landowner”).

RECITALS ☐

☐ **HEREAS**, 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 Creeks of Legacy Public Improvement District (the “District”) in the City; and

☐ **HEREAS**, the City Council has adopted an assessment ordinance for the Phase #2 Improvements (including all exhibits and attachments thereto, the “Phase #2 Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Phase #2 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 Phase #2 of the District (as identified in the Service and Assessment Plan) that will be 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 Phase #2 Improvements that will benefit the Phase #2 Assessed Property (as defined in the Service and Assessment Plan); and

☐ **HEREAS**, 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.

NO ☐ , 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 LANDO ☐ NER

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 Phase #2 Improvements on the Landowner Parcel and on the property within Phase #2 of the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Phase #2 Assessment Ordinance; and

(iii) the Phase #2 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 Phase #2 of the District, as shown on the assessment roll attached as Appendix H to the Service and Assessment Plan (the "Phase #2 Assessment Roll");

(ii) the Phase #2 Improvements specially benefit Phase #2 of the District, and the Landowner's Parcel, in an amount in excess of the Assessment levied on the Landowner's Parcel within Phase #2 of the District, as such Assessment is shown on the Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the City), in the records of the County Clerk of Collin 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 Collin 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. O□ NERSHIP AND CONSTRUCTION OF PHASE #2 IMPROVEMENTS

A. Ownership and Transfer of Phase #2 Improvements. Landowner acknowledges that all of the Phase #2 Improvements and the land (or easements, as applicable) needed therefor shall be owned by the City once accepted by and conveyed to the City 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 Phase #2 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 Phase #2 Improvements on the property within Phase #2 of the District, to stage on the property within Phase #2 of the District construction trailers, building materials and equipment to be used in connection with such construction of the Phase #2 Improvements and for passage and use over and across parts of the property within Phase #2 of the District as shall be reasonably necessary during the construction of the Phase #2 Improvements. Any subsequent owner of the Landowner’s Parcel may require that each contractor constructing the Phase #2 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 Phase #2 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 Collin 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 Collin 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 Phase #2 Improvements on those portions of the property within Phase #2 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 Phase #2 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 Phase #2 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, Rockefeller □ Fort, PLLC 6371 Preston Road, Suite 200 Frisco, Texas 75034
To the Developer:	Attn: Mehrdad Moayed CTMGT Frontier 80, 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 Phase #2 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 Collin 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 Collin 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.

[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 _____, 2018 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]

LANDOWNER

CTMGT FRONTIER 80, LLC,
a Texas limited liability company

By: Centamar Terras, LLC,
a Texas limited liability company
Its Manager

By: CTMGT, LLC,
a Texas limited liability company
Its Sole Member

By: _____

Name: Mehrdad Moayed

Its: Sole Manager and Member

STATE OF TEXAS ☐

☐

COUNTY OF DALLAS ☐

☐

This instrument was acknowledged before me on the ____ day of _____, 2018 by Mehrdad Moayed, Sole Manager and Member of CTMGT, LLC, as Sole Member of Centamar Terras, LLC, as Manager of CTMGT Frontier 80, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

[Signature Page Landowner Agreement]

LANDO ☐ NER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDO ☐ NER'S PARCEL

PROPERTY DESCRIPTION ☐

BEING A TRACT OF LAND SITUATED IN THE WM. DAVENPORT SURVEY, ABSTRACT NUMBER 262, CITY OF CELINA, COLLIN COUNTY, TEXAS AND BEING A PORTION OF THAT TRACT OF LAND DESCRIBED BY DEED TO CTMGT FRONTIER 80, LLC., RECORDED IN INSTRUMENT NUMBER 20140624000644620, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 1, BLOCK T, CREEKS OF LEGACY PHASE 1C, AN ADDITION TO THE CITY OF CELINA RECORDED IN INSTRUMENT NUMBER 20160304010000960, SAID OFFICIAL PUBLIC RECORDS AND BEING IN THE SOUTH RIGHT-OF-WAY LINE OF AUSTIN BAYOU TRAIL (A 50 FOOT RIGHT-OF-WAY);

THENCE DEPARTING SAID RIGHT-OF-WAY LINE WITH THE WEST AND SOUTH LINES OF SAID PHASE 1C THE FOLLOWING BEARINGS AND DISTANCES:

S 24°31'53"E, 179.93 FEET;

S 10°07'03"E, 72.22 FEET;

S 75°39'46"E, 66.81 FEET;

S 79°01'55"E, 66.14 FEET;

S 75°44'51"E, 66.14 FEET;

S 72°27'48"E, 66.14 FEET;

S 69°10'44"E, 66.14 FEET;

S 65°53'41"E, 66.14 FEET;

S 62°36'37"E, 66.14 FEET;

S 59°19'34"E, 66.14 FEET;

S 56°02'30"E, 66.14 FEET;

S 52°45'27"E, 66.14 FEET;

S 49°28'23"E, 66.14 FEET;

S 46°11'19"E, 66.14 FEET;

S 42°54'16"E, 66.14 FEET;

S 39°37'12"E, 66.14 FEET, TO THE NORTH LINE OF CREEKS OF LEGACY, PHASE 2C, AN ADDITION TO THE CITY OF CELINA, RECORDED IN INSTRUMENT NUMBER 20171016010004850 SAID OFFICIAL PUBLIC RECORDS;

THENCE DEPARTING THE SAID SOUTH LINE OF PHASE 1C WITH SAID NORTH LINE THE FOLLOWING COURSES AND DISTANCES:

S 52°01'19"W, 127.50 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

WITH SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 58.84 FEET, THROUGH A CENTRAL ANGLE OF 03°17'04", HAVING A RADIUS OF 1026.50 FEET, THE LONG CHORD WHICH BEARS N 39°37'12"W, 58.83 FEET;

S 48°50'42"W, 50.00 FEET;

S 48°43'56"W, 130.00 FEET AT THE NORTHWEST CORNER OF PHASE 2C, BEING THE NORTHEAST CORNER OF THAT TRACT OF LAND DESCRIBED BY DEED TO CADG FRONTIER 192, LLC., RECORDED IN INSTRUMENT NUMBER 20130909001267570, SAID OFFICIAL PUBLIC RECORDS AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE WITH SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 901.10 FEET, THROUGH A CENTRAL ANGLE OF 60°59'30", HAVING A RADIUS OF 846.50 FEET, THE LONG CHORD WHICH BEARS N 71°45'49"W, 859.16 FEET;

THENCE S 74°15'00"W, 179.56 FEET, TO THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 131.01 FEET, THROUGH A CENTRAL ANGLE OF 10°29'28", HAVING A RADIUS OF 715.50 FEET, THE LONG CHORD WHICH BEARS S 80°48'51"W, 130.83 FEET;

THENCE N 89°39'26"W, 37.42 FEET, WITH THE EAST LINE OF THAT (1.477 ACRE) TRACT OF LAND DESCRIBED BY DEED TO THE CITY OF CELINA RECORDED IN INSTRUMENT NUMBER 20140708000701510, SAID OFFICIAL PUBLIC RECORDS;

THENCE N 00°30'48"E, 601.67 FEET, WITH SAID EAST LINE TO THE SOUTHWEST CORNER OF THAT (1.437 ACRE) TRACT OF LAND DESCRIBED BY DEED TO THE CITY OF CELINA RECORDED IN INSTRUMENT NUMBER 20140708000701510, SAID OFFICIAL PUBLIC RECORDS;

THENCE N 45°11'02"E, 35.56 FEET, DEPARTING SAID EAST LINE WITH THE SOUTH LINE OF SAID 1.437 ACRE;

THENCE N 89°51'15"E, 85.01 FEET, WITH SAID SOUTH LINE;

THENCE S 44°48'58"E, 35.15 FEET, DEPARTING SAID SOUTH LINE;

THENCE N 87°55'45"E, 50.05 FEET;

THENCE N 39°30'42"E, 36.91 FEET, WITH THE AFOREMENTIONED SOUTH LINE OF SAID 1.437 ACRE TRACT, THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE WITH THE SOUTH LINE OF SAID 1.437 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

WITH SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 267.76 FEET, THROUGH A CENTRAL ANGLE OF 45°27'24", HAVING A RADIUS OF 337.50 FEET, THE LONG CHORD WHICH BEARS N 57°09'24"E, 260.79 FEET;

N 34°25'42"E, 100.00 FEET, TO THE BEGINNING OF A CURVE TO THE RIGHT;

WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 250.86 FEET, THROUGH A CENTRAL ANGLE OF 54°45'21", HAVING A RADIUS OF 262.50 FEET, THE LONG CHORD WHICH BEARS N 61°48'22"E, 241.42 FEET, THE SOUTH EAST CORNER OF SAID 1.437 ACRE TRACT AND AT THE SOUTHWEST TERMINUS OF CLEAR CREEK PARKWAY (A 75 FOOT RIGHT OF WAY);

THENCE N 89°11'03"E, 319.80 FEET, WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID CLEAR CREEK PARKWAY THE MOST NORTHERLY NORTHWEST CORNER OF AFOREMENTIONED PHASE 1C;

THENCE WITH THE NORTH AND WEST LINES OF SAID PHASE 1C THE FOLLOWING COURSES AND DISTANCES:

S 45°48'57"E, 35.36 FEET, DEPARTING SAID SOUTH RIGHT-OF-WAY;

S 00°48'57"E, 95.00 FEET;

S 44°11'03"W, 14.14 FEET;

S 89°11'03"W, 261.00 FEET, TO THE BEGINNING OF A CURVE TO THE LEFT;

WITH SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 262.81 FEET, THROUGH A CENTRAL ANGLE OF 54°45'21", HAVING A RADIUS OF 275.00 FEET, THE LONG CHORD WHICH BEARS S 61°48'22"W, 252.92 FEET;

S 34°25'42"W, 60.12 FEET, TO THE BEGINNING OF A CURVE TO THE RIGHT;

WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 12.73 FEET, THROUGH A CENTRAL ANGLE OF 01°49'26", HAVING A RADIUS OF 400.00 FEET, THE LONG CHORD WHICH BEARS S 35°20'25"W, 12.73 FEET, TO THE MOST WESTERLY NORTHWEST CORNER OF SAID PHASE 1C;

THENCE S 53°44'51"E, 50.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 695,447 SQUARE FEET OR 15.965 ACRES OF LAND MORE OR LESS.

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 _____ by _____, LLC a Texas _____ (the "Landowner").

RECITALS

- A. The Landowner holds record title to that portion of the real property located in Collin 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 Creeks of Legacy Public Improvement District No (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 Phase #2 Assessment Ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the "Phase #2 Assessment Ordinance") and the Service and Assessment Plan included as an exhibit to the Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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.

- ☐ **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 Collin 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, _____, Celina, Texas _____.

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.

LANDO □ NER

a Texas _____,

By: _____

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the ___ day of _____, 20____, by _____ in his capacity as _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of _____.

Notary Public, State of Texas

My Commission Expires:

LANDO □ NER AGREEMENT - EXHIBIT III
HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit III, the recorded Notice of the Authorization and Establishment of the Creeks of Legacy Public Improvement District 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 Phase #2 Assessment Roll for such Assessed Parcel (or if the Phase #2 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.

LANDO ☐ NER AGREEMENT

This **LANDO ☐ NER AGREEMENT** (the “Agreement”), is entered into as of August 14, 2018, between the City of Celina, Texas (the “City”), a home rule municipality of the State of Texas (the “State”), and First Texas Homes, Inc., a Texas corporation (the “Landowner”).

RECITALS ☐

☐ **HEREAS**, Landowner owns the Assessed Parcels described by the 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 Creeks of Legacy Public Improvement District (the “District”) in the City; and

☐ **HEREAS**, the City Council has adopted an assessment ordinance for the Phase #2 Improvements (including all exhibits and attachments thereto, the “Phase #2 Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Phase #2 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 Phase #2 of the District (as identified in the Service and Assessment Plan) that will be 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 Phase #2 Improvements that will benefit the Phase #2 Assessed Property (as defined in the Service and Assessment Plan); and

☐ **HEREAS**, 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.

NO ☐ , 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 LANDO ☐ NER

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 Phase #2 Improvements on the Landowner Parcel and on the property within Phase #2 of the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Phase #2 Assessment Ordinance; and

(iii) the Phase #2 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 Phase #2 of the District, as shown on the assessment roll attached as Appendix H to the Service and Assessment Plan (the "Phase #2 Assessment Roll");

(ii) the Phase #2 Improvements specially benefit Phase #2 of the District, and the Landowner's Parcel, in an amount in excess of the Assessment levied on the Landowner's Parcel within Phase #2 of the District, as such Assessment is shown on the Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the City), in the records of the County Clerk of Collin 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 Collin 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. O□ NERSHIP AND CONSTRUCTION OF PHASE #2 IMPROVEMENTS

A. Ownership and Transfer of Phase #2 Improvements. Landowner acknowledges that all of the Phase #2 Improvements and the land (or easements, as applicable) needed therefor shall be owned by the City once accepted by and conveyed to the City 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 Phase #2 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 Phase #2 Improvements on the property within Phase #2 of the District, to stage on the property within Phase #2 of the District construction trailers, building materials and equipment to be used in connection with such construction of the Phase #2 Improvements and for passage and use over and across parts of the property within Phase #2 of the District as shall be reasonably necessary during the construction of the Phase #2 Improvements. Any subsequent owner of the Landowner’s Parcel may require that each contractor constructing the Phase #2 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 Phase #2 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 Collin 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 Collin 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 Phase #2 Improvements on those portions of the property within Phase #2 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 Phase #2 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 Phase #2 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, Rockefeller □ Fort, PLLC 6371 Preston Road, Suite 200 Frisco, Texas 75034
To the Developer:	Attn: _____ First Texas Homes, Inc. 500 Crescent Court Suite 350 Dallas, Texas 75201
With a copy to:	Attn: _____ _____ _____ _____

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 Phase #2 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 Collin 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 Collin 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.

[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 _____, 2018 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]

LANDOWNER

FIRST TEXAS HOMES, INC,
a Texas corporation

By: _____
Name: _____
Title: _____

STATE OF TEXAS ☐

☐

COUNTY OF DALLAS ☐

This instrument was acknowledged before me on the _____ day of _____,
2018 by _____, _____ of First Texas Homes,
Inc., a Texas corporation on behalf of said corporation.

Notary Public, State of Texas

[Signature Page Landowner Agreement]

LANDOWNER AGREEMENT - EXHIBIT I**DESCRIPTION OF LANDOWNER'S PARCEL****PROPERTY DESCRIPTION**

BEING LOTS 29 THRU 31, BLOCK T, LOTS 1X, 1 THRU 56, BLOCK V, LOTS 5 THRU 11, BLOCK W OF CREEKS OF LEGACY, PHASE 2C, AN ADDITION TO THE CITY OF CELINA, COLLIN COUNTY, TEXAS ACCORDING TO THE FINAL PLAT FILED 10/16/2017 AND RECORDED IN INSTRUMENT NUMBER 20171016010004850, COUNTY RECORDS, COLLIN COUNTY, TEXAS.

LANDO[□] NER 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 _____ by _____, LLC a Texas _____ (the "Landowner").

RECITALS[□]

- A. The Landowner holds record title to that portion of the real property located in Collin 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 Creeks of Legacy Public Improvement District No (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 Phase #2 Assessment Ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the "Phase #2 Assessment Ordinance") and the Service and Assessment Plan included as an exhibit to the Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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.

- ☐ **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 Collin 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, _____, Celina, Texas _____.

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.

LANDO □ NER

a Texas _____,

By: _____

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the ___ day of _____, 20____, by _____ in his capacity as _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of _____.

Notary Public, State of Texas

My Commission Expires:

LANDO □ NER AGREEMENT - EXHIBIT III
HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit III, the recorded Notice of the Authorization and Establishment of the Creeks of Legacy Public Improvement District 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 Phase #2 Assessment Roll for such Assessed Parcel (or if the Phase #2 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.

LANDO ☐ NER AGREEMENT

This **LANDO ☐ NER AGREEMENT** (the “Agreement”), is entered into as of August 14, 2018, between the City of Celina, Texas (the “City”), a home rule municipality of the State of Texas (the “State”), and Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the “Landowner”).

RECITALS ☐

☐ **HEREAS**, Landowner owns the Assessed Parcels described by the 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 Creeks of Legacy Public Improvement District (the “District”) in the City; and

☐ **HEREAS**, the City Council has adopted an assessment ordinance for the Phase #2 Improvements (including all exhibits and attachments thereto, the “Phase #2 Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Phase #2 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 Phase #2 of the District (as identified in the Service and Assessment Plan) that will be 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 Phase #2 Improvements that will benefit the Phase #2 Assessed Property (as defined in the Service and Assessment Plan); and

☐ **HEREAS**, 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.

NO ☐ , 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 LANDO ☐ NER

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 Phase #2 Improvements on the Landowner Parcel and on the property within Phase #2 of the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Phase #2 Assessment Ordinance; and

(iii) the Phase #2 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 Phase #2 of the District, as shown on the assessment roll attached as Appendix H to the Service and Assessment Plan (the "Phase #2 Assessment Roll");

(ii) the Phase #2 Improvements specially benefit Phase #2 of the District, and the Landowner's Parcel, in an amount in excess of the Assessment levied on the Landowner's Parcel within Phase #2 of the District, as such Assessment is shown on the Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the City), in the records of the County Clerk of Collin 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 Collin 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. O□ NERSHIP AND CONSTRUCTION OF PHASE #2 IMPROVEMENTS

A. Ownership and Transfer of Phase #2 Improvements. Landowner acknowledges that all of the Phase #2 Improvements and the land (or easements, as applicable) needed therefor shall be owned by the City once accepted by and conveyed to the City 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 Phase #2 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 Phase #2 Improvements on the property within Phase #2 of the District, to stage on the property within Phase #2 of the District construction trailers, building materials and equipment to be used in connection with such construction of the Phase #2 Improvements and for passage and use over and across parts of the property within Phase #2 of the District as shall be reasonably necessary during the construction of the Phase #2 Improvements. Any subsequent owner of the Landowner’s Parcel may require that each contractor constructing the Phase #2 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 Phase #2 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 Collin 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 Collin 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 Phase #2 Improvements on those portions of the property within Phase #2 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 Phase #2 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 Phase #2 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, Rockefeller □ Fort, PLLC
6371 Preston Road, Suite 200
Frisco, Texas 75034

To the Developer: Attn: _____
Lennar Homes of Texas Land and Construction, Ltd.
1707 Market Place Blvd
Suite 100
Irving, Texas 75063

With a copy to: Attn: _____

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 Phase #2 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 Collin 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 Collin 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.

[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 _____, 2018 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]

LANDO ☐ NER**LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD.,**

a Texas limited partnership,

By: Lennar Texas Holding Company,
a Texas corporation

Its: General Partner

By: _____

Name: _____

Its: Authorized Agent

STATE OF TEXAS



COUNTY OF _____



This instrument was acknowledged before me on the ____ day of _____, 2018 by _____, the Authorized Agent of Lennar Texas Holding Company, as General Partner of Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership on behalf of said limited partnership.

Notary Public, State of Texas

[Signature Page Landowner Agreement]

LANDOWNER AGREEMENT - EXHIBIT I**DESCRIPTION OF LANDOWNER'S PARCEL****PROPERTY DESCRIPTION**

BEING LOTS 41 THRU 64, 51X, BLOCK A, LOTS 1 THRU 37, BLOCK C, LOTS 4 THRU 18, BLOCK D AND LOTS 7 THRU 14, BLOCK E OF 2, BLOCK 3 OF CREEKS OF LEGACY, PHASE 2B, AN ADDITION TO THE CITY OF CELINA, COLLIN COUNTY, TEXAS ACCORDING TO THE FINAL PLAT FILED 08/01/2017 AND RECORDED IN INSTRUMENT NUMBER 20170801010003670, COUNTY RECORDS, COLLIN COUNTY TEXAS.

LANDO[□] NER 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 _____ by _____, LLC a Texas _____ (the “Landowner”).

RECITALS[□]

- A. The Landowner holds record title to that portion of the real property located in Collin 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 Creeks of Legacy Public Improvement District No (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 Phase #2 Assessment Ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the “Phase #2 Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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 Phase #2 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.

- ☐ **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 Collin 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, _____, Celina, Texas _____. 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.

LANDO □ NER

a Texas _____,

By: _____

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the ___ day of _____, 20____, by _____ in his capacity as _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of _____.

Notary Public, State of Texas

My Commission Expires:

LANDO □ NER AGREEMENT - EXHIBIT III
HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit III, the recorded Notice of the Authorization and Establishment of the Creeks of Legacy Public Improvement District 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 Phase #2 Assessment Roll for such Assessed Parcel (or if the Phase #2 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.

Draft

CREEKS OF LEGACY
PUBLIC IMPROVEMENT DISTRICT
SERVICE AND ASSESSMENT PLAN

JUNE 18, 2014
AS UPDATED FOR PHASE #2 ON MARCH 13, 2018 AND _____, 2018

MuniCap

v 3.1.1

CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN

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Section I PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On April 29, 2014 (the “Creation Date”) the City Council of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2014-17R approving and authorizing the creation of the Creeks of Legacy Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in the PID (the “Authorized Improvements”), all of which is located within the City of Celina.

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

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

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

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

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

B. Definitions

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

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a 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 Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (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. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

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

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and codes with respect to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual

principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

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

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

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

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

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

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

“Assessment Roll” means, as applicable, the Phases #2 – 3 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, the Phase #2 Assessment Roll, an Assessment Roll for any Future Phase of development or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

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

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

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

“Certification for Payment” means the certificate to be provided by the Developer, or his

designee, to substantiate the Actual Cost of one or more Authorized Improvements. “

“**City**” means the City of Celina, Texas.

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

“**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, CTMGT Frontier 80, LLC, a Texas limited liability company, CADG Creeks of Legacy West, L.L.C, a Texas limited liability company, and/or CADG Creeks of Legacy Stonegate, L.L.C, a Texas limited liability company.

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

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

“**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 homeowners’ association.

“**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 final average home value for each lot as of the date of the recorded subdivision plat, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

“**Lot type 1**” means lots identified as such on the Assessment Roll, being lots with approximately 7,700 square feet size and a lot width of 70 feet, which may be referred to as such in PD #46.

“**Lot type 2**” means lots identified as such on the Assessment Roll, being lots with approximately 6,600 square feet size and a lot width of 60 feet, which may be referred to as such in PD #46.

“**Lot type 3**” means lots identified as such on the Assessment Roll, being lots with approximately 5,500 square feet size and a lot width of 50 feet, which may be referred to as such in PD #46.

“Major Improvements” or “MI” mean the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

“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 at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI. F. 1.

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

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

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

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

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

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

“Phase #1 Bonds” mean collectively the Phase #1A Bonds and the Phase #1B Bonds issued or to be issued by the City to finance the Phase #1 Improvements.

“Phase #1 Improvements” mean (i) the pro rata portion of the Major Improvements allocable to Phase #1, and (ii) the Authorized Improvements which only benefit Phase #1 Assessed Property and are described in Section III.C.

“Phase #1A Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Improvement District Phase #1 Project)" that are secured primarily by Phase #1 Assessment Revenues.

“Phase #1B Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B Project)" that are issued to finance the remaining costs of the Phase #1B Improvements and that will be secured primarily by Phase #1 Assessment Revenues.

“Phase #2” means the second Phase to be developed, identified as Phases #2A, #2B, #2C and #2D and generally shown in Appendix A, as specifically described as the sum of all Parcels shown in Appendix H.

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

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

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

“Phase #2 Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 Project)" that are secured primarily by Phase #2 Assessment Revenues.

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

“Phased PID Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Phase. In connection with the Phased PID Bonds, Assessments will be levied only on Parcels located within the Phase in question.

“Phases #2 – 3 Major Improvement Area” mean the property within the PID excluding Phase #1 which is to be developed subsequent to Phase #1 and generally depicted in Appendix A of this Service and Assessment Plan or any Annual Service Plan Update.

“Phases #2 - 3 Major Improvement Assessed Property” means, for any year, all Parcels within the PID other than (a) Non-Benefited Property, and (b) Parcels within Phase #1.

“Phases #2 - 3 Major Improvements” mean the pro rata portion of the Major Improvements allocable to Phases #2 - 3 as described in Section III.C.

“Phases #2 – 3 Major Improvement Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments levied against Phases #2 - 3 Major Improvement Assessed Property, or the Annual Installments thereof, for the Major Improvements.

“Phases #2 - 3 Major Improvement Assessment Roll” means the document included in this Service and Assessment Plan as Appendix F, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phases #2 – 3 Major Improvement Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Improvement District Phases #2 – 3 Major Improvement Project)" that are secured primarily by Phases #2 - 3 Major Improvement Assessment Revenues.

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

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

“PD #46” means Planned Development District, #46 passed and approved by the City pursuant to Ordinance No 2014-06 dated as of February 11, 2014.

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

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

“Reimbursement Agreement” means each reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Authorized Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Authorized Improvements funded by the Developer with interest as permitted by the Act.

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

“TIRZ No. 2” means the Tax Increment Reinvestment Zone No. 2, City of Celina, Texas.

“TIRZ Credit” means, for each Parcel, the prorated amount of TIRZ Revenues calculated pursuant to Section VI (B) of this Service and Assessment Plan.

“TIRZ Ordinance” means an ordinance adopted by the City Council authorizing the use of TIRZ Revenues for project costs under the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, relating to the Authorized Improvements as provided for in the Tax Increment Reinvestment Zone No. 2 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. 2 tax increment fund pursuant to the TIRZ Ordinance to reduce an Annual Installment, as calculated each year by the Administrator in collaboration with the City, in accordance with Section VI.B of

this Service and Assessment Plan.

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

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

Section II PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID is presently located within the City and contains approximately 322 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 1,021 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (1,021) and the classification of each lot are based upon the proposed development plan.

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

Table II-A
Proposed Development

Proposed Development Type	Quantity	Measurement
Single Family Residential – 70 Feet	183	units
Single Family Residential – 60 Feet	495	units
Single Family Residential – 50 Feet	343	units
Total	1,021	units

B. Property Included in Phase #1, Phase #2 and Phases #2 – 3 Major Improvement Area

Phase #1 consists of approximately 120 acres and is projected to consist of 427 single family residential units, to be developed as Phase #1, as further described in Section III. Phase #2 consists of approximately 106 acres and is projected to consist of 403 single family residential units, to be developed as Phase #2. Phases # 2 - 3 Major Improvement Area consist of approximately 202 acres (including the 106 acres in Phase #2) and are projected to consist of approximately 594 residential units (including the 402 residential units planned in Phase #2). A map of the property within Phase #1, Phase #2 and Phases #2 – 3 Major Improvement Area and depicting the boundaries of each proposed Phase is shown in Appendix A.

C. Property Included in Future Phases

As Phases are developed, it is anticipated that Phased PID Bonds will be issued for each new phase. In connection with the issuance of each new Phased PID Bonds, this Service and Assessment Plan will be updated to add additional details of each new Phase(s) as shown for Phase #1 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix F, Appendix G and Appendix H.

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

Section III DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. Authorized Improvement Overview

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

372.003. Authorized Improvements

- (a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.
- (b) A public improvement may include:
 - (i) landscaping;
 - (ii) erection of fountains, distinctive lighting, and signs;
 - (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
 - (iv) construction or improvement of pedestrian malls;
 - (v) acquisition and installation of pieces of art;
 - (vi) acquisition, construction, or improvement of libraries;
 - (vii) acquisition, construction, or improvement of off-street parking facilities;
 - (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
 - (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
 - (x) the establishment or improvement of parks;
 - (xi) projects similar to those listed in Subdivisions (i)-(x);
 - (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
 - (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and

- (xiv) payment of expenses incurred in the establishment, administration and operation of the district.

After analyzing the public improvement projects authorized by the PID Act, the City has determined that the Authorized Improvements as described in Appendix B and shown on the diagram included as Appendix C should be undertaken by the City for the benefit of the property within the PID.

B. Description of Estimated Costs of Major Improvements

The Major Improvements benefit the entire PID. The costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the Equivalent Units as calculated and shown in Appendix D using the planned lot types and anticipated number of lots.

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

Road Improvements:

Frontier Parkway was constructed as a 2-lane paved road (120' right-of-way) of approximately 5,425 linear feet. Legacy Drive was constructed a 4-lane paved road (120' right-of-way road approximately 2,975 linear feet.

Water Distribution System Improvements:

A twelve (12") inch water line was constructed to serve the development. The line starts at an existing stub near the entrance of Light Farms to the northeast. The line will continue along the east side of the Dallas North Tollway (DNT). The line will cross underneath the DNT and along the north side of Frontier Parkway. The total length along the DNT is 5,685 linear feet. An additional 12 inch water line extension extends along Frontier Parkway to the west side of the Creeks of Legacy boundary and along Legacy Dr for approximately 16,594 linear feet.

Sanitary Sewer Improvements:

An existing thirty six (36") inch Doe Branch sanitary sewer line is located north of the development. An eighteen (18") inch gravity sanitary sewer line connects into Doe Branch and then reduces to a fifteen (15") inch gravity flow sewer line that runs along Frontier Parkway until it reaches the DNT. The line is designed to carry the flow of the development along with the future commercial tracts that will be located between the development and the DNT. The sanitary sewer line has also factored approximately 500 acres of commercial tracts located east of the DNT. This line benefits the entire development along with the surrounding future areas.

Storm Drainage Improvements

The site drains in two directions. Approximately half of the property drains north towards the Doe Branch Creek, while the remaining half drains to the existing creek located on the south side

of the development. Enclosed storm drainage in the northern portion (East of Legacy Drive) drains into Doe Branch Creek, while the southern portion drains into the stream south of the property. The west portion of the PID (Stonegate/Wu) drains into the Doe Branch Creek using enclosed storm drains and open channels. Drainage improvements of each builder shall consist of underground reinforced concrete storm sewer pipes, inlets, and rock riprap protection at outfalls.

Table III-A-1
Original Estimated Major Improvement Costs

Authorized Improvements	Total Estimated Major Improvement Costs
Road improvements including right-of-way	\$6,665,000
Water distribution system improvements	\$1,305,000
Sanitary sewer collection system improvements	\$1,415,000
Storm sewer collection system improvements	\$2,665,000
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$1,250,000
Total – Estimated Major Improvement Costs	\$13,300,000

The costs shown in Table III-A-1 are current estimates and may be revised in Annual Service Plan Updates.

According to the Developer, additional Major Improvements (the “Additional Major Improvements”) are being constructed within the PID. The Additional Major Improvements descriptions are presented below as provided by the project engineer. The costs of the Additional Major Improvements are shown in Table III-A-2. The costs shown in Table III-A-2 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Road Improvements:

The northern two lanes of Frontier Parkway (25’ wide paving section) will be extended from Doe Creek Branch (Collector Road) to Legacy Drive, a distance of approximately 2,200 linear feet. This section will include a bridge over a drainage area. The Creeks of Legacy development will extend the eastern two lanes of Legacy Drive (25’ wide paving section) from Frontier Parkway north to Clear Creek Parkway (Collector Road), with a full intersection at Clear Creek Parkway. Legacy Drive’s western two lanes will be constructed from the intersection with Clear Creek Parkway north for approximately 700 linear feet. Clear Creek Parkway (45’ wide paving section) will be extended from its intersection with Legacy Drive eastward approximately 700 linear feet, connecting with the existing roadway.

Water Distribution System Improvements:

Approximately 5,500 linear feet of twelve inch water line will be constructed adjacent to Frontier Parkway from Doe Creek Branch to Legacy Drive, and then north along Legacy Drive to a point north of Clear Creek Parkway.

Sanitary Sewer Improvements:

An eight inch sanitary sewer line will be extended from the intersection of Legacy Drive and Clear Creek Parkway west for approximately 160’.

Storm Drainage Improvements

Drainage improvements along the right-of-ways and paving sections shall consist of underground reinforced concrete storm sewer pipes, storm inlets, storm outlets, gabion structures, deepening of an existing detention pond, and rock riprap protection at outfalls.

Table III-A-2
Estimated Additional Major Improvement Costs

Authorized Improvements	Total Estimated Additional Major Improvement Costs
Road improvements including right-of-way	\$1,330,604
Water distribution system improvements	\$434,916
Sanitary sewer collection system improvements	\$19,932
Storm sewer collection system improvements	\$1,660,560
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$861,022
Total – Estimated Additional Major Improvement Costs	\$4,307,034

C. Description of Estimated Costs of Phase #1 Improvements

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

Road Improvements:

All on-site areas will be served by 31-foot wide, concrete streets within 50’ right-of-ways. On-site roads will include 4’ sidewalks within 9.5’ parkways.

Water Distribution System Improvements:

A network of eight inch water lines will be installed within the road right-of-way to serve the development. The on-site water lines will be connected to water mains along Collector A and Collector B.

Sanitary Sewer Improvements:

A network of eight (8) inch sanitary sewer line will be installed within the road right-of-way to serve the development. The on-site sanitary lines will connect to sanitary sewer main lines along Collector A, Collector B, Frontier Parkway and Legacy Drive. The sanitary sewer main lines connect to an existing regional sewer line along Doe Branch located northwest of the Phase #1

area.

Storm Drainage Improvements

The site drains in two directions. Approximately half of the property drains north towards the Doe Branch Creek, while the remaining half drains to the existing creek located on the south side of the development. Enclosed storm drainage in the northern portion (East of Legacy Drive) drains into Doe Branch Creek, while the southern portion drains into the stream south of the property. Drainage improvements of each builder shall consist of underground reinforced concrete storm sewer pipes, inlets, detention ponds and rock riprap protection at outfalls.

Table III-B
Estimated Phase #1 Improvement Costs

Authorized Improvements	Total Estimated Phase #1 Improvement Costs
Road improvements	\$2,665,000
Water distribution system improvements	\$790,000
Sanitary sewer collection system improvements	\$1,090,000
Storm sewer collection system improvements	\$1,475,000
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$2,508,639
Subtotal – Estimated Phase #1 Improvement Costs	\$8,528,639
Add: Proportional share of estimated Major Improvement Costs ¹	\$5,736,361
Proportional share of Additional Major Improvement Costs ¹	\$1,857,647
Total Estimated Phase #1 Improvement Costs	\$16,122,647

¹ See Section V(C) for allocation of Major Improvement costs to Phase #1.

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

D. Description of Estimated Costs of Phase #2 Improvements

The Phase #2 Improvements that benefit only Phase #2 are described below. The costs of the Phase #2 Improvements are shown in Table III-C. The costs shown in Table III-C are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Road Improvements:

All on-site areas will be served by 31-foot wide, concrete streets within 50' right-of-ways. On-site roads will include 4' sidewalks within 9.5' parkways.

Water Distribution System Improvements:

A network of eight inch (8) water lines will be installed within the road right-of-way to serve the development. The on-site water lines will be connected to water mains along Collector A and Collector B.

Sanitary Sewer Improvements:

A network of eight inch sanitary sewer line will be installed within the road right-of-way to serve the development. The on-site sanitary lines will connect to sanitary sewer main lines along Collector A, Collector B, Frontier Parkway and Legacy Drive. The sanitary sewer main lines connect to an existing regional sewer line along Doe Branch located northwest of the Phase #1 area.

Storm Drainage Improvements

The site drains in two directions. Approximately half of the property drains north towards the Doe Branch Creek, while the remaining half drains to the existing creek located on the south side of the development. Enclosed storm drainage in the northern portion (East of Legacy Drive) drains into Doe Branch Creek, while the southern portion drains into the stream south of the property. Drainage improvements of each builder shall consist of underground reinforced concrete storm sewer pipes, inlets, and rock riprap protection at outfalls.

Table III-C
Estimated Phase #2 Improvement Costs

Authorized Improvements	Total Estimated Phase #2 Improvement Costs
Road improvements	\$3,101,987
Water distribution system improvements	\$1,109,646
Sanitary sewer collection system improvements	\$809,669
Storm sewer collection system improvements	\$630,512
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$1,363,027
Subtotal Estimated Phase #2 Improvement Costs	\$7,014,841
Add: proportional share of Additional Major Improvement Costs ¹	\$1,676,343
Total Estimated Phase #2 Improvement Costs	\$8,691,183

¹ See Section V(C) for allocation of Additional Major Improvement costs to Phase #2.

The costs shown in Tables III-A-1, III-A-2, III-B and III-C are estimates and may be revised in Annual Service Plan Updates. The detailed costs of the Authorized Improvements are shown in Appendix B to this Service and Assessment Plan. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID).

E. Future Phase Authorized Improvements

As Phases are developed, it is anticipated that additional Phased PID Bonds will be issued to finance Authorized Improvements for each Future Phase. As Phased PID Bonds are issued for each Future Phase, this Service and Assessment Plan will be updated to identify the specific Authorized Improvements financed by such Phased PID Bonds that benefit each Phase (e.g., a Table III-D will be added to show the estimated costs Authorized Improvements for Phase #3, etc.).

Section IV SERVICE PLAN

A. Sources and Uses of Funds

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five year period. It is anticipated that it will take approximately 12 months to construct the Major Improvements to be financed with the Phases #2 - 3 Major Improvement Bonds and approximately 12 months for the Phase #1 Improvements to be constructed. At some point after all or a portion of the Major Improvements and Phase #1 Improvements are constructed, Phase #2 will begin development. After Phase #2 is developed, it is anticipated that phase #3 will begin development, and so on, with each Future Phase to be subsequently developed corresponding to the Service and Assessment Plan to be updated with that development.

The estimated Actual Costs for Major Improvements and Phase #1 Improvements plus costs related to the issuance of the Bonds, in one or more series, for the Major Improvements and Phase #1 Improvements and payment of expenses incurred in the establishment, administration and operation of the PID is \$24,413,055 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

Table IV-A-1 summarizes the original sources and uses of funds required to construct the Major Improvements to be financed with the Phases #2 - 3 Major Improvement Bonds and Phase #1 Improvements, establish the PID, and issue the Phase #1 PID Bonds and Phases #2 – 3 Major Improvement Bonds. The sources and uses of funds shown in Table IV-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

Table IV-B summarizes the sources and uses of funds required to construct the Phase #2 Improvements to be financed with the Phase #2 Bonds. The sources and uses of funds shown in Table IV-B shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

As Future Phases are developed in connection with the issuance of Phased PID Bonds, this Service and Assessment Plan will be amended (e.g. Table IV-B-2 will be amended to add phase #3, etc.).

Bonds to finance the Major Improvements and Phase #1 Improvements were issued starting in 2014. Table IV-A-1 and Table IV-A-2 show the original and updates sources and uses of the Bonds, respectively.

Table IV-A-1
Original Estimated Sources and Uses

Sources of Funds	Phase #1A Bonds	Phase #1 Reimbursement Agreement	Phases #2-3A Major Improvement Bonds	Total
Estimated Bond par amount	\$8,750,000	\$3,750,000	\$6,575,000	\$19,075,000
Other funding sources	\$542,012	\$4,280,000	\$516,043	\$5,338,055
Total Sources	\$9,292,012	\$8,030,000	\$7,091,043	\$24,413,055
Uses of Funds				
<i>Major Improvements</i>				
Road improvements	\$1,673,669	\$1,200,981	\$2,571,523	\$5,446,172
Water distribution system improvements	\$327,703	\$235,151	\$503,501	\$1,066,355
Sanitary sewer improvements	\$355,325	\$254,972	\$545,942	\$1,156,239
Storm drainage improvements	\$669,216	\$480,212	\$1,028,223	\$2,177,652
Other soft and miscellaneous costs	\$313,891	\$225,240	\$482,281	\$1,021,413
Subtotal	\$3,339,804	\$2,396,556	\$5,131,470	\$10,867,831
<i>Phase 1 Improvements</i>				
Road improvements	\$1,161,501	\$1,503,499	\$0	\$2,665,000
Water distribution system improvements	\$344,310	\$445,690	\$0	\$790,000
Sanitary sewer improvements	\$475,061	\$614,939	\$0	\$1,090,000
Storm drainage improvements	\$642,857	\$832,143	\$0	\$1,475,000
Other soft and miscellaneous costs	\$1,093,354	\$1,415,285	\$0	\$2,508,639
Subtotal	\$3,717,083	\$4,811,556	\$0	\$8,528,639
Estimated Bond issue costs	\$2,235,125	\$821,887	\$1,959,573	\$5,016,585
Total Uses	\$9,292,012	\$8,030,000	\$7,091,043	\$24,413,055

Notes: The information provided is based on the final bond cash flows. Phase #1 Improvements include the Authorized Improvements listed under this heading plus the estimated \$5.736 million pro rata share of the Major Improvements allocated to Phase #1. The Phase #1 Reimbursement Agreement will finance the remaining Phase #1 Improvements after a portion of such improvements are financed through the Bonds issued in 2014.

The Phase #1 Bonds shown in Table IV-A were anticipated to be issued in two series. The first series of Phase #1 Bonds ("Phase #1A Bonds") were issued in 2014 and to pay and/or reimburse the Developer for a portion of the costs of Phase #1 Improvements. The remaining costs of Phase #1 Improvements were initially financed through a Reimbursement Agreement dated as of June 18, 2014 (the "Phase #1 Reimbursement Agreement"), which is being replaced by the second Phase #1B Bonds. The Phase #1B Bonds are being issued after some or all of the Phase #1 Improvements are constructed and will be used to replace the Phase #1 Reimbursement Agreement and/or reimburse the Developer for the remaining portion of the costs of Phase #1 Improvements.

Table IV-A-2 summarizes the updated sources and uses of funds required to construct the Major

Improvements to be financed with the Phases #2 - 3 Major Improvement Bonds and Phase #1 Improvements, establish the PID, issue the Phase #1 PID Bonds and Phases #2 – 3 Major Improvement Bonds and construct the Additional Major Improvements. The updated sources and uses of funds shown in Table IV-A-2 shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

Table IV-A-2
Updated Sources and Uses

Sources of Funds	Phase #1A Bonds	Phase #1B Bonds	Phases #2-3A Major Improvement Bonds	Total
-				
Estimated Bond par amount	\$8,750,000	\$3,750,000	\$6,575,000	\$19,075,000
Other funding sources	\$542,012	\$6,028,259	\$2,965,431	\$9,535,702
Total Sources	\$9,292,012	\$9,778,259	\$9,540,431	\$28,610,702
Uses of Funds				
<u>Major Improvements</u>				
Road improvements	\$1,673,669	\$1,200,981	\$2,571,523	\$5,446,172
Water distribution system improvements	\$327,703	\$235,151	\$503,501	\$1,066,355
Sanitary sewer improvements	\$355,325	\$254,972	\$545,942	\$1,156,239
Storm drainage improvements	\$669,216	\$480,212	\$1,028,223	\$2,177,652
Other soft and miscellaneous costs	\$313,891	\$225,240	\$482,281	\$1,021,413
Subtotal	\$3,339,804	\$2,396,556	\$5,131,470	\$10,867,831
<u>Additional Major Improvements</u>				
Road improvements	\$0	\$573,897	\$756,707	\$1,330,604
Water distribution system improvements	\$0	\$187,582	\$247,334	\$434,916
Sanitary sewer improvements	\$0	\$8,597	\$11,335	\$19,932
Storm drainage improvements	\$0	\$716,208	\$944,352	\$1,660,560
Other soft and miscellaneous costs	\$0	\$371,363	\$489,659	\$861,022
Subtotal	\$0	\$1,857,647	\$2,449,387	\$4,307,034
<u>Phase 1 Improvements</u>				
Road improvements	\$1,161,501	\$1,503,499	\$0	\$2,665,000
Water distribution system improvements	\$344,310	\$445,690	\$0	\$790,000
Sanitary sewer improvements	\$475,061	\$614,939	\$0	\$1,090,000
Storm drainage improvements	\$642,857	\$832,143	\$0	\$1,475,000
Other soft and miscellaneous costs	\$1,093,354	\$1,415,285	\$0	\$2,508,639
Subtotal	\$3,717,083	\$4,811,556	\$0	\$8,528,639
Estimated Bond issue costs	\$2,235,125	\$712,500	\$1,959,573	\$4,907,198
Total Uses	\$9,292,012	\$9,778,259	\$9,540,431	\$28,610,702

Notes: The information provided is based on the final bond cash flows. Phase #1 Improvements include the Authorized Improvements listed under this heading plus the estimated \$5.736 million pro rata share of the Major Improvements allocated to Phase #1. The Phase 1B Bonds will replace the Phase #1 Reimbursement Agreement and/or reimburse the Developer for the remaining portion of the costs of Phase #1 Improvements after a portion of such improvements are financed through the Bonds issued in 2014. The Additional Major Improvements shown herein represent the amounts allocated to Phase #1 and Phases #2 – 3. The portion of the Additional Major Improvements allocable to Phase #2 is shown separately in Table IV-B below.

The costs of Phases #2 Improvements were initially financed through a Reimbursement Agreement (the “Phase #2 Reimbursement Agreement”) dated as of March 13, 2018. The Phase #2 Bonds are being issued after some or all of the Phase #2 Improvements and the proportional allocable Additional Major Improvements are constructed and will be used to replace the Phase #2 Reimbursement Agreement and/or reimburse the Developer for the remaining portion of the costs of Phase #2 Improvements.

Table IV-B shows the sources and uses of the Phase #2 Bonds.

Table IV-B
Estimated Sources and Uses – Phase #2 Improvements

Sources of Funds	Phase #2 Bonds
Phase #2 Assessments	\$6,875,000
Other funding sources	\$3,565,576
Total Sources	\$10,440,576
Uses of Funds	
<u>Additional Major Improvements</u>	
Road improvements	\$519,232
Water distribution system improvements	\$169,714
Sanitary sewer improvements	\$7,778
Storm drainage improvements	\$647,989
Other soft and miscellaneous costs	\$335,991
Subtotal	\$1,680,704
<u>Phase#2 Improvements</u>	
Road improvements	\$3,101,987
Water distribution system improvements	\$1,109,646
Sanitary sewer improvements	\$809,669
Storm drainage improvements	\$630,512
Other soft and miscellaneous costs	\$1,363,027
Subtotal	\$7,014,841
Estimated Bond issuance costs	\$1,745,031
Total Uses	\$10,440,576

Notes: The information provided is based on the preliminary bond cash flows. Phase #2 Improvements include the Authorized Improvements listed under this heading plus the estimated \$1,676,343 million pro rata share of the Additional Major Improvements allocated to Phase #2. The Phase #2 Bonds will replace the Phase #2 Reimbursement Agreement and/or reimburse the Developer for the remaining portion of the costs of Phase #2 Improvements.

The Phases #2 - 3 Major Improvement Bonds shown in Table IV-A-2 were issued in 2014. The Phases #2 - 3 Major Improvement Bonds issued in 2014 were used to pay and/or reimburse the Developer for a portion of the costs of Phases #2 - 3 Major Improvements. The remaining costs of Phases #2 - 3 Major Improvements will be financed through future Bonds, which may be issued separately or combined with improvement costs for Future Phases.

As Future Phases are developed, it is anticipated that additional Phased PID Bonds will be issued

for each new future phase improvements. Phase #2 Bonds will be issued to finance the Authorized Improvements required for Phase #2 (and/or to replace any Reimbursement Agreement for Phase #2) and phase #3 bonds will be issued to finance the Authorized Improvements required for phase #3 (and/or to replace any Reimbursement Agreement for phase #3) as each future phase is developed. Each Future Phased PID Bond may also be issued in one or more series of Bonds. The projected chronology of the Bonds is presented below.

Series 2014 - Phase #1A Bonds to finance (i) the pro-rata costs of the Major Improvements allocable to Phase #1 and, (ii) a portion of the Authorized Improvements that benefit only Phase #1. It is likely that this and the subsequent 'A' financings for each phase will only be able to fund a part of the internal public infrastructure (to maintain a prudent VtL) and the balance will be funded by a subsequent 'B' financing for each phase once the development within each phase is substantially complete as is contemplated with the issuance of the Phase #1B Bonds.

Phases #2-3 Major Improvement Bonds to finance the pro-rata costs of the Major Improvements allocable to Phases #2-3 Major Improvement Area that benefit only Phases #2-3 Major Improvement Area. It is possible the balance will be funded by a subsequent 'B' financing for the Phases #2-3 Major Improvements once the development within Phases #2-3 Major Improvement Area is commenced.

Series 2018 Phase #1B Bonds to refinance the Phase #1 Reimbursement Agreement and/or to reimburse the Developer for the remaining costs of the Phase #1 Improvements, if any.

Series 2018 Phase #2 Bonds to finance a part of the internal subdivision Authorized Improvements within Phase #2.

Series 2021-22 Phase #3 Bonds to finance a part of the internal subdivision Authorized Improvements within phase #3. It is possible that this financings for each phase will only be able to fund a part of the internal public infrastructure (to maintain a prudent VtL) and the balance of the applicable Authorized Improvements for the Phase may be funded by a subsequent 'B' financing once the development within Phase #3 is commenced.

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

Table IV-C
Annual Projected Costs and Annual Projected Indebtedness

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds
2014	\$16,383,055	\$15,325,000	\$1,058,055
2015	\$0	\$0	\$0
2016	\$0	\$0	\$0
2017	\$8,030,000	\$3,750,000	\$4,280,000
2018	\$13,066,906 ¹	\$6,875,000	\$6,191,906 ²
2019	\$0	\$0	\$0
Total	\$37,479,961	\$25,950,000	\$11,529,961

1 – The total costs shown include the estimated costs of the Additional Major Improvements and Phase #2 Improvements. 2 – The amount represents the total cost of \$13,066,906 less the amount financed through the Phase #2 Bonds.

The annual projected costs shown in Table IV-C are the annual expenditures relating to the Major Improvements shown in Table III-A, the Phase #1 Improvements shown in Table III-B, the Phase #2 Improvements shown in Table III-C and the costs associated with setting up the PID and costs of issuance including reserves shown in Table IV-A-2 and Table IV-B. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer. As Future Phases are developed, in association with issuing Phased PID Bonds, this Table IV-C will be updated to identify the Authorized Improvements to be financed by each new series of the Phased PID Bonds and the projected indebtedness resulting from each additional series of the Phased PID Bonds.

Section V ASSESSMENT PLAN

A. Introduction

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

The proposed bond issuance program entails a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Phase #1A Bonds and the Phases #2 – 3 Major Improvement Bonds issued in 2014 and the Phase #1B Bonds to be issued, subsequent financings are to be issued over the upcoming decade as the two subsequent phases (Phases #2 and #3) of the development are gradually constructed.

The purpose of this gradual issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The 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 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") ratio within the financing program. In order to maintain a prudent VtL, the initial issuance of bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt 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 special 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. For example, the Phase #1A Bonds to be issued to finance a portion of the Phase #1 Improvements, including the pro-rata costs of the Major Improvements allocable to Phase #1 Assessed Property, followed by a second parity lien issuance of bonds (the Phase #1B Bonds) demonstrates this analysis.

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

1. The Major Improvement and Phase #1 Improvement costs shall be allocated on the basis of the relative value of Parcels once such property is developed, and that such

- method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The City Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council has taken in to consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home process provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the improvements.
 3. The Assessed Property is classified into different Lot Types as described in Appendix D based on the type and size of proposed development on each Parcel.
 4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.
 5. The Major Improvement costs are proportionally allocated to the Phases #2 – 3 Major Improvement Assessed Property and the Phase #1 Assessed Property based on the ratio of total Equivalent Units estimated for the Phases #2 - 3 Major Improvement Assessed Property and the Phase #1 Assessed Property.
 6. The Phases #2 - 3 Major Improvement Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2 – 3 Major Improvement Assessed Property based on the total Equivalent Units estimated for each Parcel.
 7. The Phase #1 Improvement costs (including Phase #1 Assessed Property's proportional share of the costs of the Major Improvements) are allocated to each Parcel within the Phase #1 Assessed Property based on the total Equivalent Units estimated for each Parcel.
 8. The Phase #2 Improvement costs are allocated to each Parcel within the Phase #2 Assessed Property based on the total Equivalent Units estimated for each Parcel.

Table V-A provides the estimated allocation of costs of the Authorized Improvements constituting Major Improvements and Phase #1 Improvements.

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

In connection with the issuance of Phased PID Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Phased PID Bonds issued with respect to that Future Phase. Prior to assessing Parcels located within Future Phases in connection with issuance of Phased PID Bonds, 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 Major Improvements, Phase #1 Improvements and Phase #2 Improvements, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the

Phase #1 Assessed Property, the Phase #2 Assessed Property and Phases #2 – 3 Major Improvement Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Major Improvements, Phase #1 Improvements and Phase #2 Improvements to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination 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.

As Future Phases are developed, in connection with the issuance of Phased PID Bonds this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Phase.

B. Special Benefit

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

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

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

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

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

The special assessments will repay financing that is on advantageous terms, as the Bonds issued to finance the public improvements will pay interest that is exempt from federal income tax. As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the tax-exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

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

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

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the costs of the Authorized Improvement through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,
6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. Allocation of Costs to Assessed Property

The Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Major Improvement costs must be allocated throughout all Assessed Property in the District. Table V-A summarizes the allocation of estimated costs for each Major Improvement. The costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Phase #1 is projected to contain 427 residential units. As shown in Appendix D, the total

Equivalent Units for Phase #1 is calculated as 374.80. The Phases #2 – 3 Major Improvement Area is projected to contain 594 residential units resulting in a total of 494.19 Equivalent Units as shown in Appendix D. The Total projected Equivalent Units in the PID is, therefore, calculated to be 868.99 (i.e., $374.80 + 494.19 = 868.99$). As a result, 43.13 percent of the estimated costs of Major Improvements (i.e. $374.80 \div 868.99 = 43.13\%$) are allocated to the Phase #1 Assessed Property and 56.87 percent of the estimated costs Major Improvements (i.e., $494.19 \div 868.99 = 56.87\%$) are allocated to the Phases #2 - 3 Major Improvement Assessed Property. The Additional Major Improvements are allocated to the Phase #1 Assessed Property using the same 43.13% calculated herein. The Phases #2 – 3 Major Improvement Bonds will fund the proportionate share of the estimated costs of the Major Improvement allocated to the Phases #2 – 3 Major Improvement Area; and, Phase #1 Bonds will fund Phase #1's proportionate share of the estimated costs of the Major Improvements.

Phase #2 is projected to contain 403 residential units. As shown in Appendix D, the total Equivalent Units for Phase #2 is calculated as 339.10. The Total projected Equivalent Units in the PID is shown above to be 868.99. As a result, 39.02 percent of Additional Major Improvements (i.e. $339.10 \div 868.99 = 39.02\%$) are allocated to the Phase #2 Assessed Property.

Table V-A
Allocation of Major Improvement Costs

Major Improvement Estimated Costs	
Authorized Improvement	Estimated Costs
Road Improvements	\$6,665,000
Water Improvements	\$1,305,000
Sanitary Sewer Improvements	\$1,415,000
Storm Drainage Improvements	\$2,665,000
Other soft and miscellaneous costs	\$1,250,000
Total Major Improvements	\$13,300,000
Phase #1	
Projected total Equivalent Units ¹	374.80
% of total Equivalent units	43.13%
Proportionate Share of Costs ²	\$5,736,361
Phases #2 - 3	
Projected total Equivalent Units	494.19
% of total Equivalent units	56.87%
Proportionate Share of Costs ³	\$7,563,639
Notes: (1) See Appendix D for the detailed calculation of Equivalent Units. (2) Any Additional Major Improvements shall be allocated to Phase #1 using the same percentage calculated above (i.e.\$1,857,647 (43.13%) of the \$4,307,034 total cost of Additional Major Improvements shown in Table III-A-2 are allocable to Phase #1). (3) Any Additional Major Improvements shall be allocated to Phase #2 using the percentage calculated above (i.e.\$1,680,704 (39.02%) of the \$4,307,034 total cost of Additional Major Improvements shown in Table III-A-2 are allocable to Phase #2).	

D. Assessment Methodology

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

1. Assessment Methodology for the Major Improvements for Phases #2 – 3 Major Improvement Area

For purpose of this Service and Assessment Plan, the City Council determined that the portion of Actual Costs of the Major Improvement costs to be allocated to Phases #2 - 3 Major Improvement Area shall be allocated to the Phases #2 - 3 Major Improvement Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix D using the types, number and average home value of Lots anticipated to be developed on each Parcel. Having taken into consideration the matters described under Sections V (A) and (B) above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the Lot Types. These classifications (from Lot Type 1 (70 Ft Lots) representing the highest residential value to Lot Type 3 (50 Ft Lot) representing the lowest value. Assessments are allocated to each land use class on the basis of the average value for each Lot Type. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each Lot Type, setting the Equivalent Unit factor for Lot Type 1 (70 Ft Lots) to 1.0.

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

The Assessment and Annual Installments for each Parcel or Lot located within the Phases #2 - 3 Major Improvement Area is shown on the Phases #2 – 3 Major Improvement Assessment Roll, attached as Appendix F, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. Assessment Methodology for Phase #1

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Improvements, including and the portion of the Major Improvements to be financed with the Phase #1 Bonds, shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix D using the types and number of lots anticipated to be developed on each Parcel within Phase #1. As part of the determination as to the ability of

different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Based on the estimates of the costs of the Phase #1 Improvements and the portion of the Major Improvements that benefit Phase #1 provided by Peloton Land Solutions, as set forth in Table III-B, the City Council has determined that the benefit of the Phase #1 Improvements to Phase #1 Assessed Property is at least equal to the Assessments levied on the Phase #1 Assessed Property.

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

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

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

3. *Assessment Methodology for Phase #2*

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

Based on the estimates of the costs of the Phase #2 Improvements and the portion of the Phase #2 Improvements that benefit Phase #2 provided by the project engineer, as set forth in Table III-C, the City Council has determined that the benefit of the Phase #2 Improvements to Phase #2 Assessed Property is at least equal to the Assessments levied on the Phase #2 Assessed Property.

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

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

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

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

4. *Assessment Methodology for Future Phases*

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

E. Assessments

The Assessments for the Phase #1 Bonds and the Phases #2 – 3 Major Improvement Bonds were levied on each Parcel according to the Phases #2 – 3 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, attached hereto as Appendix F and Appendix G, respectively. The Annual Installments for the Phases #2 – 3 Major Improvement Bonds and the Phase #1 Bonds are being collected at the time and in the amounts shown on the Phases #2 – 3 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, respectively, subject to any revisions made during an Annual Service Plan Update.

The Assessments for the Phase #2 Reimbursement Agreement (which is being replaced with Phase #2 Bonds) were levied on each Parcel according to the Phase #2 Assessment Roll, attached hereto as Appendix H. The Annual Installments for the Phase #2 Bonds will be collected at the time and in the amounts shown on the Phase #2 Assessment Roll, respectively, subject to any revisions made during an Annual Service Plan Update.

F. Administrative Expenses

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

G. Prepayment Reserve

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

H. Delinquency Reserve

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

I. TIRZ Credit

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues (the 47.63% of the property tax increment collected and deposited into the TIRZ No. 2 tax increment fund) generated from each Parcel to offset a portion of such Parcel's PID assessments (the "TIRZ Credit"). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel. The TIRZ Credit applicable to each Parcel shall be calculated as described under Section VI (B) of this Service and Assessment Plan.

Section VI TERMS OF THE ASSESSMENTS

A. Amount of Assessments and Annual Installments for Parcels Located within Phases #2 – 3 Major Improvement Area

The Assessment and Annual Installments for each Assessed Property located within Phases #2 – 3 Major Improvement Area are shown on the Phases #2 – 3 Major Improvement 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 principal and interest on the Phases #2 – 3 Major Improvement Bonds, to fund the prepayment reserve and delinquency reserve described in Section V, to cover Administrative Expenses of Phases #2 – 3 Major Improvement Area.

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

The Assessment and Annual Installments for each Assessed Property located within Phase #1 is shown on the Phase #1 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 principal and interest on the Phase #1 Bonds, to fund the prepayment reserve and delinquency reserve described in Section V, and to cover Administrative Expenses of Phase #1. The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel. The TIRZ Credit for each Parcel shall be calculated using the following formula:

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

Where the terms have the following meanings:

- A = the TIRZ Credit amount for a Parcel
- B = the total TIRZ Revenues collected for the preceding year
- C = the total Equivalent Unit of the Parcel
- D = the total Equivalent Units of all Parcels

The TIRZ Revenues collected in any given year shall be used to calculate the TIRZ Credit in the following year (i.e., TIRZ Revenues collected in 2015 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2016). TIRZ Credits shall be calculated for those Parcels that are subject to Assessments by the PID. The total TIRZ Revenues collected from all Parcels in each Phase shall be used to calculate the TIRZ Credit applicable to each Parcel within the Phase based on the above formula. The total TIRZ increment amount generated by all Phase #1 Assessed Property will be divided by the total Equivalent Units in Phase #1 to determine the TIRZ credit applicable to each Phase #1 Assessed Property. The total TIRZ increment amount generated by all Phases #2 - 3 Major Improvement Assessed Property will be divided by the total Equivalent Units in Phases #2 - 3 Major Improvement Assessed Property to determine the TIRZ credit applicable to each Phases #2 - 3 Major Improvement Assessed

Property. The Equivalent Units to be used for the calculation of the TIRZ Credit shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

This method of allocating the TIRZ Revenues to all Parcels in a Phase would result in equal amount of TIRZ Credits applied to similar Parcels, However, it may result in lower amounts applied as TIRZ Credit for Parcels that generate higher than average TIRZ Revenues. The TIRZ Revenues can be applied proportionally to calculate the TIRZ Credits for each Parcel generating the TIRZ Revenues if the TIRZ Credit is calculated separately for each Parcel and such TIRZ Credit is directly applied on a Parcel-by-Parcel basis.

Accordingly, the TIRZ Credit calculation methodology described in the Service and Assessment Plan has been updated herein as follows as approved by the City Council as part of the Annual Service Plan Update for 2016-17.

The TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate the Parcel's TIRZ Credit for such Parcel (and/or new Parcels subdivided from such Parcel) in the following year (i.e., TIRZ Revenues collected in 2017 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2018). The TIRZ Credit shall be calculated for those Parcels that are subject to Assessments in the PID and have generated TIRZ Revenues.

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

The Assessment and Annual Installments for each Assessed Property located within Phase #2 is shown on the Phase #2 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 principal and interest on the Phase #2 Bonds and to cover Administrative Expenses of Phase #2. The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel. The TIRZ Credit for each Parcel shall be calculated in the same manner as shown for Phase #1 above.

D. Amount of Assessments and Annual Installments for Parcels Located Within Future Phases

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for phase #3, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

E. Reallocation of Assessments

1. Subdivision

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

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

Where the terms have the following meanings:

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

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

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

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

F. 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.

G. Reduction of Assessments

1. If after all Authorized Improvements to be funded with a series of Bonds have been

completed and Actual Costs for such Authorized Improvements are less than the Actual Costs used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Collection Costs, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on Equivalent Units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Collection Costs. The Principal Portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the Bonds is equal to the outstanding principal amount of the Bonds.

H. Payment of Assessments

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part in an amount sufficient to allow for a convenient redemption of Bonds as determined by the Administrator. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the

partial payment is made.

2. Payment in Annual Installments

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

Each Assessment on the Phase #1 Assessed Property and Phases #2-3 Major Improvement Assessed Property shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds and (ii) 9.79 percent per annum. The Phases #2 - 3 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel based on Bond interest rates of 6.75%, 7.25% and 7.625% for the Phases #2 - 3 Bonds due in 2024, 2032 and 2040, respectively, and additional interest at the rate of 0.5% for Administrative Expenses, Prepayment Reserve and Delinquency Reserve.

The Phase #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on Bond interest rates of 6.375%, 6.625% and 7.00% for the Phases #1A Bonds due in 2028, 2032 and 2040, respectively, Phase #1B Bonds estimated interest rate of 5.85% and additional interest at the rate of 0.5% for Administrative Expenses, Prepayment Reserve and Delinquency Reserve.

The Phase #2 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on estimated Bond interest rate of 5.85% for the Phases #2 Bonds due in 2048 and additional interest at the rate of 0.5% for Administrative Expenses, Prepayment Reserve and Delinquency Reserve.

The principal and interest component of the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls, updated with the actual interest rates on the Phase #1A Bonds, Phases #2 – 3 Major Improvement Bonds, the estimated rate on Phase #1B Bonds and the estimated interest rate on the Phase #2 Bonds, are shown as Appendix F, Appendix G and Appendix H. The Annual Installments shall be reduced to equal the actual costs of repaying the Bonds and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

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

F. Collection of Annual Installments

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

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

Section VII THE ASSESSMENT ROLL

A. Major Improvement Area Assessment Roll

Each Parcel within Phases #2 - 3 Major Improvement Area has been evaluated by the City Council (based on the concept plan, developable area, proposed Homeowner Association Property and Public Property, the Major Improvements, best and highest use of land, and other development factors deemed relevant by the City Council) to determine the Assessed Property within each Parcel.

Phases #2 – 3 Major Improvement Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Major Improvements. Table IV-A summarizes the \$7,091,043 in special benefit received by Phases #2 - 3 Major Improvement Area from a portion of the Major Improvements, the pro rata costs of the PID formation, and issuance costs for the proposed Phases #2 – 3 Major Improvement Bonds. The total amount of Phases #2 – 3 Major Improvement Bonds was \$6,575,000, which was less than the benefit received by Phases #2 – 3 Major Improvement Assessed Property, and as such the total Assessment for all Assessed Property within Phases #2 - 3 Major Improvement Area was \$6,575,000 plus annual Administrative Expenses. The Assessment for each Parcel of Assessed Property within the Phases #2 - 3 Major Improvement Area was calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phases #2 – 3 Major Improvement Assessment Roll is attached hereto as Appendix F.

B. Phase #1 Assessment Roll

Phase #1 Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Phase #1 Improvements that benefit Phase #1, which include a proportionate share of the Major Improvements allocable to Phase #1. Table IV-A summarizes the \$17,322,012 in special benefit received by Phase #1 Assessed Property from the Phase #1 Improvements that benefit Phase #1, including the proportionate share of the Major Improvements allocable to Phase #1, the pro rata costs of the PID formation, and Bond issuance costs. The total amount of Phase #1A Bonds and the Phase #1 Reimbursement Agreement was \$12,500,000, which was less than the benefit received by Phase #1 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #1 was \$12,500,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within Phase #1 was calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phase #1 Assessment Roll is attached hereto as Appendix G.

C. Phase #2 Assessment Roll

Phase #2 Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Phase #2 Improvements that benefit Phase #2. Table IV-B summarizes the \$10,436,214 in special benefit received by Phase #2 Assessed Property from the Phase #2 Improvements, the proportional share of the Additional Major Improvements that benefit Phase #2, and miscellaneous PID related costs. The amount of Phase #2 Bonds is \$6,875,000, which is less than the benefit received by Phase #2 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #2 is \$6,875,000 plus annual Administrative Expenses and

other authorized charges. The Assessment for each Parcel of Assessed Property within Phase #2 is calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phase #2 Assessment Roll is attached hereto as Appendix H.

D. Future Phase Assessment Roll

As Future Phases are developed, this Service and Assessment Plan will be updated to determine the Assessment for each Parcel located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for phase #3, etc.).

E. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phases #2 – 3 Major Improvement Assessment Roll, Phase #1 Assessment Roll and Phase #2 Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.H of this Service and Assessment Plan.

Once Bonds are issued, the Assessment Rolls shall be updated, which update may be done in the next Annual Service Plan Update, to reflect any changes resulting from the issuance of the Bonds. This update shall reflect the actual interest on the 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 Bonds and Developer funds.

Section VIII MISCELLANEOUS PROVISIONS

A. Administrative Review

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

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

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

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

B. Termination of Assessments

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

C. Amendments

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

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

(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. Administration and Interpretation of Provisions

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

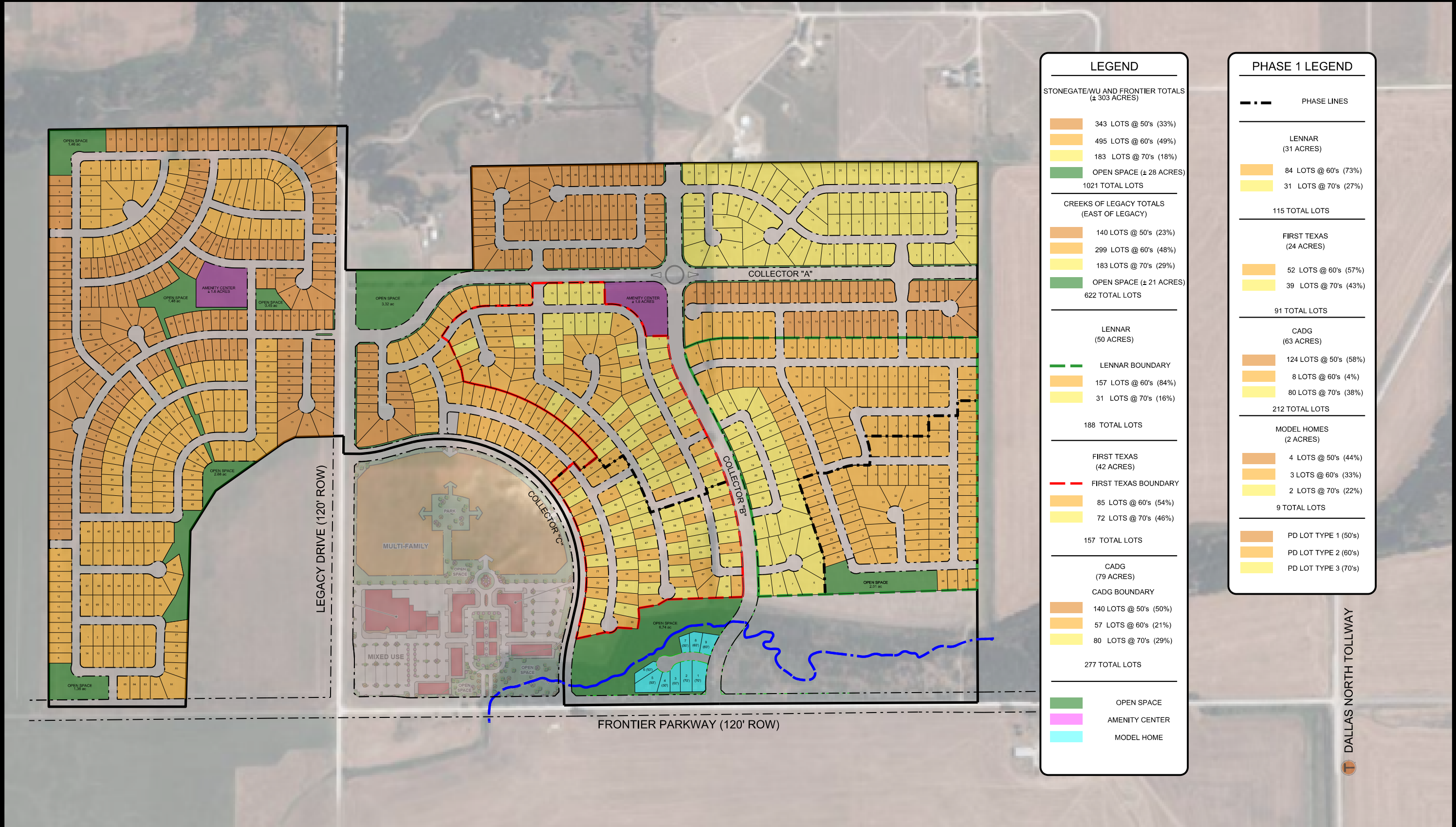
E. Severability

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

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

Appendix A

The PID MAP



CONCEPT PLAN
CREEKS OF LEGACY
CELINA, TEXAS
MAY 23, 2014

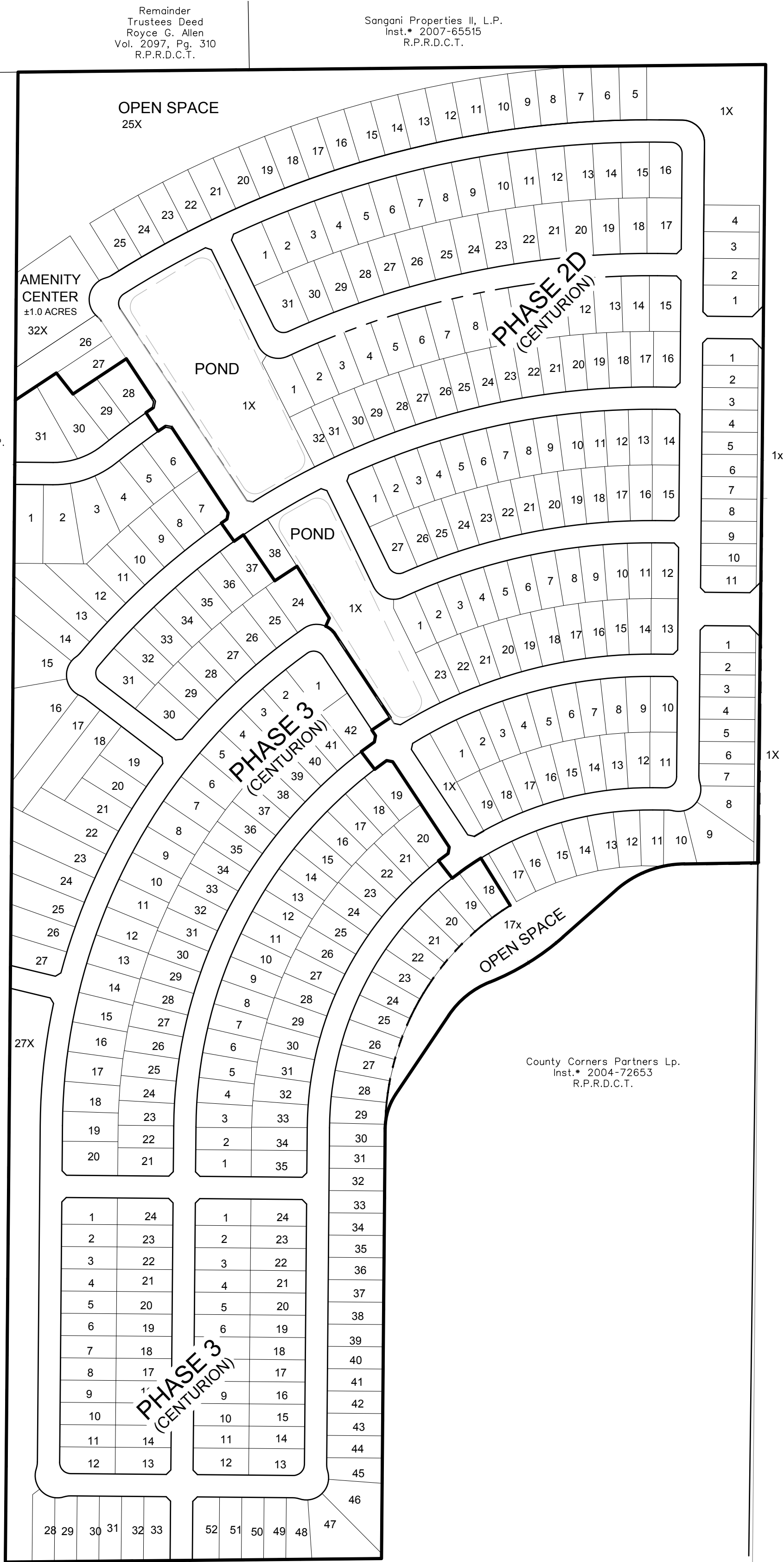


Exhibit
Creeks of Legacy Master Concept Plan
Celina, Texas
August 2018

Drawing: J:\CEN\CENT3006\Legacy 17\DCV\Exhibit\Phase Lines\CENT3006_Master Concept Plan
Last Saved by: Roman
Last Saved Time: 8/1/2018 3:48 PM
Plot Date/Time: 8/1/2018 3:48 PM

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Appendix B
Estimated Authorized Improvement Costs

Authorized Improvements	Estimated Major Improvement Costs	Estimated Phase #1 Improvement Costs	Estimated Future Phase Improvement Costs (for information purposes only)
Roadway Improvements			
Frontier Parkway (Collector B to DNT)	\$779,846	\$0	\$0
Frontier (Collector B to Legacy), Legacy and Frontier (Legacy to Stonegate)	\$2,255,562	\$0	\$0
Collector A and Collector B	\$2,029,592	\$0	\$0
Phase 1 on-site roadways	\$0	\$2,665,000	\$0
Future phase on-site roadways	\$0	\$0	\$2,585,000
Estimated right-of-way costs	\$1,600,000	\$0	\$0
Subtotal: Roadway improvements	\$6,665,000	\$2,665,000	\$2,585,000
Water distribution system improvements			
Water improvements along DNT and DNT to Collector B	\$547,210	\$0	\$0
Water improvements along Frontier (Collector B to Legacy), Legacy and Frontier (Legacy to Stonegate)	\$400,300	\$0	\$0
Water improvements along Collector and Collector B	\$357,490	\$0	\$0
Phase 1 on-site water improvements	\$0	\$790,000	\$0
Future phase on-site water improvements	\$0	\$0	\$765,000
Subtotal: Water improvements	\$1,305,000	\$790,000	\$765,000
Sewer collection system improvements			
Sewer system improvements along Legacy and Frontier (Legacy to Collector B)	\$689,949	\$0	\$0
Sewer system improvements along Frontier (Collector B to DNT)	\$316,424	\$0	\$0
Sewer system improvements along Collector A and	\$408,627	\$0	\$0
Phase 1 on-site sewer system improvements	\$0	\$1,090,000	\$0
Future phase on-site sewer system improvements	\$0	\$0	\$1,055,000
Subtotal: Sewer system improvements	\$1,415,000	\$1,090,000	\$1,055,000

Appendix B
Estimated Authorized Improvement Costs

Authorized Improvements	Estimated Major Improvement Costs	Estimated Phase #1 Improvement Costs	Estimated Future Phase Improvement Costs (for information purposes only)
Drainage collection system improvements			
Drainage system improvements along Frontier (DNT to	\$451,980	\$0	\$0
Drainage improvements along Frontier (Collector B to			
Legacy), Legacy and Frontier (Legacy to Stonegate)	\$969,629	\$0	\$0
Drainage system improvements along Collector A and			
Collector B	\$1,243,391	\$0	\$0
Phase 1 on-site drainage system improvements	\$0	\$1,475,000	\$0
Future phase on-site drainage system improvements	\$0	\$0	\$1,430,000
Subtotal: Drainage system improvements	\$2,665,000	\$1,475,000	\$1,430,000
Subtotal:estimated improvement costs	\$12,050,000	\$6,020,000	\$5,835,000
Other costs			
Engineering	\$731,500	\$421,400	\$408,450
Contingency and other soft costs	\$518,500	\$2,087,239	\$816,550
Subtotal: Other costs	\$1,250,000	\$2,508,639	\$1,225,000
Grand total improvements + soft costs	\$13,300,000	\$8,528,639	\$7,060,000
Estimated Major Improvement costs allocated to Phase 1	(\$5,736,361)	\$5,736,361	
Total estimated improvement costs to be funded	\$7,563,639	\$14,265,000	\$7,060,000
Estimated bond issuance costs ¹	\$1,962,404	\$3,057,012	
Grand Total Estimated Project Costs	\$9,526,043	\$17,322,012	

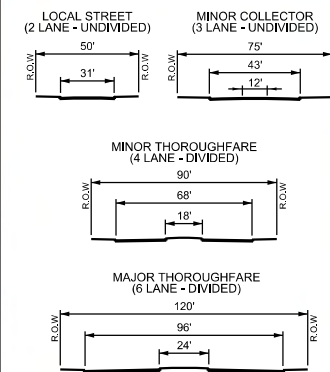
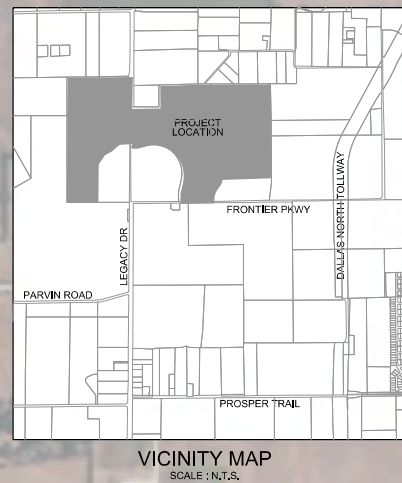
1 - The estimated bond issuance costs for Major Improvements includes amounts (rounded) only for the Series 2014 Phases #2-3 Major Improvement Bonds.

Appendix C

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

LEGEND

- OFFSITE SANITARY SEWER
- DOE BRANCH (EXISTING GRAVITY FLOW)
- FRONTIER PARKWAY 120' ROW 1-37' B-B (DNT TO COLLECTOR B)
- FRONTIER PARKWAY 120' ROW 1-37' B-B (LEGACY TO COLLECTOR B)
- FRONTIER PARKWAY 120' ROW 1-37' B-B (LEGACY TO STONEGATE)
- LEGACY DRIVE 120' ROW 2-37' B-B (NORTH PROPERTY BOUNDARY TO FRONTIER)
- COLLECTOR "B" 90' ROW 2-25' B-B (NORTH BOUNDARY TO FRONTIER)
- COLLECTOR "A" 75' ROW 43' B-B (WEST - MIDDLE OF TRAFFIC CIRCLE TO EAST BNDRY)
- COLLECTOR "A" 75' ROW 43' B-B (EAST - MIDDLE OF TRAFFIC CIRCLE TO LEGACY DR)
- PH 1 PHASE 1 ITEMS
- PH 2 FUTURE PHASE ITEMS



LENGTH - 3,430 FT
PH 2: PAV/GRAD/DRAIN \$1,818,399
PH 2: WATER \$219,586
PH 1: SEWER \$550,946

LENGTH - 2,073 FT
PH 1: PAV/GRAD/DRAIN \$818,937
PH 1: WATER \$99,693
PH 1: SEWER \$132,760

LENGTH - 1,785 FT
PH 1: PAV/GRAD/DRAIN \$716,796
PH 1: WATER \$89,981
PH 1: SEWER \$110,470

LENGTH - 3,313 FT
PH 1: PAV/GRAD/DRAIN \$2,125,273
PH 1: WATER \$206,884
PH 1: SEWER \$208,255

WATER LINE
LENGTH - 5,683 FT
PH 1: \$420,270

LENGTH - 2,190 FT
PH 2: PAV/GRAD/DRAIN \$1,172,812
PH 2: WATER \$125,084
PH 1: SEWER \$221,796

LENGTH - 3,571 FT
PH 1: PAV/GRAD/DRAIN \$1,379,645
PH 1: WATER \$192,605
PH 2: SEWER \$354,395

LENGTH - 1,720 FT
PH 2: PAV/GRAD/DRAIN \$621,004
PH 2: WATER \$103,666

	PHASE 1	PHASE 2	TOTAL TIF
OFFSITE WATER	\$1,009,433	\$448,336	\$1,457,769
OFFSITE SEWER	\$1,224,227	\$354,395	\$1,578,622
FRONTIER PARKWAY (COLLECTOR B TO DNT)	\$1,379,645	\$0	\$1,379,645
FRONTIER PARKWAY (COLLECTOR B TO LEGACY)	\$0	\$1,172,812	\$1,172,812
FRONTIER PARKWAY (LEGACY TO STONEGATE)	\$0	\$621,004	\$621,004
LEGACY DRIVE (FRONTIER TO N PROP. BOUNDARY)	\$0	\$1,818,399	\$1,818,399
COLLECTOR B TOTAL	\$2,125,273	\$0	\$2,125,273
COLLECTOR A (MIDDLE OF TRAFFIC CIRCLE TO LEGACY)	\$0	\$0	\$0
COLLECTOR A (MIDDLE OF TRAFFIC TO EAST BOUNDARY)	\$818,937	\$0	\$818,937
	\$716,796	\$0	\$719,796
	\$7,274,311	\$4,414,946	\$11,689,257



Appendix D

LOT TYPES AND EQUIVALENT UNITS

Draft

Appendix D Lot Types and Equivalent Units

For purposes of allocating the Assessments, the Assessed Property has been classified in one of three Lot Types. The following table shows the proposed residential Lot Types within the PID.

**Table D-1
Proposed Development within the PID**

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	70 Ft Lots	183 units
Lot Type 2	60 Ft Lots	495 units
Lot Type 3	50 Ft Lots	343 units
Total		1,021 units

Table D-2 below shows the proposed residential Lot Types within Phase #1.

**Table D-2
Proposed Development – Phase #1**

Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	70 Ft Lots	152 units
Lot Type 2	60 Ft Lots	147 units
Lot Type 3	50 Ft Lots	128 units
Total		427 units

Table D-3-A below shows the proposed residential Lot Types within Phases #2 – 3 Major Improvement Area.

**Table D-3-A
Proposed Development - Phases #2 – 3 Major Improvement Area**

Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	70 Ft Lots	31 units
Lot Type 2	60 Ft Lots	348 units
Lot Type 3	50 Ft Lots	215 units
Total		594 units

Table D-3-B below shows the proposed residential Lot Types within Phase #2.

Draft

Table D-3-B
Proposed Development - Phase #2

Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	70 Ft Lots	33 units
Lot Type 2	60 Ft Lots	240 units
Lot Type 3	50 Ft Lots	130 units
Total		403 units

As explained under Section IV-D, For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the portion of the Major Improvements to be financed with the Phases #2 – 3 Major Improvement Bonds shall be allocated to the Phases #2 - 3 Major Improvement Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Phases #2 - 3 Major Improvement Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 70 Ft, 60 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications (from Lot Type 1 (70 Ft Lots) representing the highest value to Lot Type 3 (50 Ft Lot) representing the lowest value for residential lots are set forth in Table D-4 below. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (70 Ft Lots) to 1.0.

Table D-4
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor
Lot Type 1 (70' Lot)	\$405,000	1.00 per dwelling unit
Lot Type 2 (60' Lot)	\$355,000	0.88 per dwelling unit
Lot Type 5 (50' Lot)	\$295,000	0.73 per dwelling unit

Draft

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

Table D-5
Estimated Equivalent Units - Phase #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70' Lot)	152	1.00	152.00
Lot Type 2 (60' Lot)	147	0.88	129.36
Lot Type 3 (50' Lot)	128	0.73	93.44
Total Equivalent Units	427		374.80

The total estimated Equivalent Units for Phases #2 - 3 Major Improvement Area are shown in Table D-6 below as calculated based on the Equivalent Unit factors shown in Table D-4, estimated Lot Types and number of units estimated to be built within Phases #2 – 3 Major Improvement Area.

Table D-6
Estimated Equivalent Units - Phases #2 -3 Major Improvement Area

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70' Lot)	31	1.00	31.00
Lot Type 2 (60' Lot)	348	0.88	306.24
Lot Type 3 (50' Lot)	217	0.73	156.95
Total Equivalent Units	594		494.19

The total estimated Equivalent Units for Phase #2 are shown in Table D-7 below as calculated based on the Equivalent Unit factors shown in Table D-4, estimated Lot Types and number of units estimated to be built within Phase #2.

Table D-7
Estimated Equivalent Units - Phases #2

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70' Lot)	33	1.00	33.00
Lot Type 2 (60' Lot)	240	0.88	211.20
Lot Type 3 (50' Lot)	130	0.73	94.90
Total Equivalent Units	403		339.10

Appendix E

ALLOCATION OF ASSESSMENTS

Draft

Appendix E Allocation of Assessments

A) Allocation of Assessments to Lot Types in Phases #2 – 3 Major Improvement Area

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phases #2 – 3 Major Improvement Bonds, which represents the total Assessment to be allocated to all Parcels in the Phases #2 – 3 Major Improvement Assessed Property, is \$6,575,000. As shown in Appendix D, there are a total of 494.19 estimated Equivalent Units in Phases #2 - 3, resulting in an Assessment per Equivalent Unit of \$13,304.60.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$13,304.60 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (70 Ft Lot) dwelling unit is \$13,304.60 (i.e. $\$13,304.60 \times 1.00$). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$11,708.05 (i.e. $\$13,304.60 \times 0.88$). Table E-1 sets forth the Assessment per dwelling unit for each of the three Lot Types in Phases #2 – 3 Major Improvement Area.

**Table E-1
Assessment per Unit - Phases #2 – 3 Major Improvement Area**

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit	Total Assessments
<u>Residential</u>					
Lot Type 1	31	\$13,304.60	1.00	\$13,304.60 per dwelling unit	\$412,443
Lot Type 2	348	\$13,304.60	0.88	\$11,708.05 per dwelling unit	\$4,074,401
Lot Type 3	215	\$13,304.60	0.73	\$9,712.36 per dwelling unit	\$2,088,157
Total	594				\$6,575,000

B) Allocation of Assessments to Lot Types in Phase #1

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #1 Bonds, which represents the total Assessment to be allocated on all Parcels within Phase #1, is \$12,500,000. As shown in Appendix D, there are a total of 374.80 estimated Equivalent Units in Phase #1, resulting in an Assessment per Equivalent Unit of \$33,351.12.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$33,351.12 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (70 Ft Lot) dwelling unit is \$33,351.12 (i.e. $\$33,351.12 \times 1.00$). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$29,348.99 (i.e. $\$33,351.12 \times 0.88$). Table E-2 sets forth the Assessment per dwelling unit for each of the two Lot Types in Phase #1.

Draft

Table E-2
Assessment per Unit - Phase #1

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessment
Residential						
Lot Type 2	152	\$33,351.12	1.00	\$33,351.12	per dwelling unit	\$5,069,370
Lot Type 2	147	\$33,351.12	0.88	\$29,348.99	per dwelling unit	\$4,314,300
Lot Type 3	128	\$33,351.12	0.73	\$24,346.32	per dwelling unit	\$3,116,320
Total	427					\$12,500,000

C) Allocation of Assessments to Lot Types in Phase #2

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #2 Reimbursement Agreement, which represents the total Assessment to be allocated on all Parcels within Phase #2, is \$6,875,000. As shown in Appendix D, there are a total of 339.10 estimated Equivalent Units in Phase #2, resulting in an Assessment per Equivalent Unit of \$20,274.26.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$20,274.26 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (70 Ft Lot) dwelling unit is \$20,274.26 (i.e. $\$20,274.26 \times 1.00$). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$17,841.34 (i.e. $\$20,274.26 \times 0.88$). Table E-2 sets forth the Assessment per dwelling unit for each of the two Lot Types in Phase #2.

Table E-2
Assessment per Unit - Phase #2

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessment
Residential						
Lot Type 2	33	\$20,274.26	1.00	\$20,274.26	per dwelling unit	\$669,050
Lot Type 2	240	\$20,274.26	0.88	\$17,841.34	per dwelling unit	\$4,281,920
Lot Type 3	130	\$20,274.26	0.73	\$14,800.21	per dwelling unit	\$1,924,020
Total	403					\$6,875,000

Appendix F**ASSESSMENT ROLL –Phases #2-3 Major Improvement Assessed Property**

Appendix F
Assessment Roll - Phases #2 - 3 Assessed Property

Parcel	All Parcels
Total Assessment	\$6,575,000
Total Equivalent Units	494.19

Year	Principal and Interest ¹	Administrative Expenses ²	Total Annual Installment
1	\$80,760	\$13,150	\$93,910
2	\$484,563	\$46,288	\$530,851
3	\$484,563	\$46,556	\$531,119
4	\$484,563	\$46,830	\$531,392
5	\$609,563	\$47,109	\$656,671
6	\$601,125	\$46,769	\$647,894
7	\$617,688	\$46,434	\$664,122
8	\$607,563	\$45,980	\$653,543
9	\$597,438	\$45,532	\$642,970
10	\$612,313	\$45,090	\$657,403
11	\$600,500	\$44,530	\$645,030
12	\$613,688	\$43,975	\$657,663
13	\$599,188	\$43,302	\$642,490
14	\$609,688	\$42,636	\$652,323
15	\$618,375	\$41,851	\$660,226
16	\$600,250	\$40,948	\$641,198
17	\$607,125	\$40,052	\$647,177
18	\$612,188	\$39,038	\$651,226
19	\$615,438	\$37,906	\$653,344
20	\$591,875	\$36,657	\$628,532
21	\$592,094	\$35,415	\$627,509
22	\$615,406	\$34,056	\$649,462
23	\$609,906	\$32,455	\$642,361
24	\$602,500	\$30,736	\$633,236
25	\$593,188	\$28,901	\$622,088
26	\$606,969	\$26,949	\$633,918
27	\$591,938	\$24,755	\$616,693
28	\$0	\$0	\$0
29	\$0	\$0	\$0
30	\$0	\$0	\$0
31	\$0	\$0	\$0
Total	\$15,460,448	\$1,053,903	\$16,514,351

1 - The principal and interest amounts are based on the Series 2014 Phases #2-3 MI Bonds final numbers.

2 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and the additional 0.5% interest to be collected for prepayment reserve and delinquency reserves.

Apepdix A-3
Assessment Roll Summary - Phases #2-3
2017-18

Parcel	Estimated No. of units	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2696827	14	12.32	\$163,913	\$16,015.76	\$479.50	\$0.00	\$16,495.26
2697055	34	26.92	\$358,160	\$34,995.48	\$1,047.73	(\$1,714.83)	\$34,328.39
52660	71	56.03	\$745,457	\$72,837.92	\$2,180.70	(\$12.76)	\$75,005.86
52644	24	19.92	\$265,028	\$25,895.62	\$775.29	(\$5.01)	\$26,665.90
75817	47	37.16	\$494,399	\$48,307.29	\$1,446.28	(\$5.88)	\$49,747.68
149097	10	7.30	\$97,124	\$9,489.86	\$284.12	\$0.00	\$9,773.98
149098	3	2.19	\$29,137	\$2,846.96	\$85.24	\$0.00	\$2,932.19
530240	244	199.27	\$2,651,208	\$259,047.17	\$7,755.63	(\$3.36)	\$266,799.44
2719497	83	73.04	\$971,768	\$94,950.60	\$2,842.73	(\$5,305.51)	\$92,487.82
2718259	64	60.04	\$798,808	\$78,050.85	\$2,336.77	(\$3,842.66)	\$76,544.96
Total	594	494.19	\$6,575,000	\$642,437.50	\$19,233.98	(\$10,890.00)	\$650,781.48

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phases #2-3**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2017 TIRZ Increments	TIRZ Credit
2696827	\$ 46.01	\$ 902.59	\$ -	\$ -
2697055	\$ 3,600.31	\$ -	\$ 3,600.31	\$ 1,714.83
2-52660	\$ 26.80	\$ -	\$ 26.80	\$ 12.76
2-52644	\$ 10.51	\$ -	\$ 10.51	\$ 5.01
2-75817	\$ 12.35	\$ -	\$ 12.35	\$ 5.88
2-149097	\$ -	\$ -	\$ -	\$ -
2-149098	\$ -	\$ -	\$ -	\$ -
2-530240	\$ 95.45	\$ 88.40	\$ 7.05	\$ 3.36
2719497	\$ 11,139.01	\$ -	\$ 11,139.01	\$ 5,305.51
2718259	\$ 8,067.72	\$ -	\$ 8,067.72	\$ 3,842.66
Total	\$ 22,998.16	\$ 990.99	\$ 22,863.75	\$ 10,890.00

Appendix G**ASSESSMENT ROLL – Phase #1 Assessed Property**

Appendix G
Assessment Roll - Phase 1 Assessed Property

Parcel	All Parcels
Total Assessment	\$12,500,000
Total Equivalent Units	374.80

Year	Principal ¹	Interest ¹	Principal	Interest ²	Administrative Expenses ³	Total Annual Installment
1	\$0	\$98,156	\$0	\$34,740	\$35,000	\$167,896
2	\$0	\$588,938	\$0	\$292,125	\$79,100	\$960,163
3	\$150,000	\$588,938	\$0	\$292,125	\$79,454	\$1,110,516
4	\$150,000	\$579,375	\$0	\$292,125	\$81,456	\$1,102,956
5	\$175,000	\$569,813	\$0	\$292,125	\$91,000	\$1,127,938
6	\$175,000	\$558,656	\$0	\$254,625	\$90,425	\$1,078,706
7	\$200,000	\$547,500	\$0	\$254,625	\$89,853	\$1,091,978
8	\$200,000	\$534,750	\$0	\$254,625	\$89,159	\$1,078,534
9	\$225,000	\$522,000	\$0	\$254,625	\$88,468	\$1,090,093
10	\$225,000	\$507,656	\$0	\$254,625	\$87,655	\$1,074,937
11	\$250,000	\$493,313	\$0	\$254,625	\$86,846	\$1,084,783
12	\$250,000	\$477,375	\$0	\$254,625	\$85,914	\$1,067,914
13	\$275,000	\$461,438	\$0	\$254,625	\$84,986	\$1,076,048
14	\$300,000	\$443,906	\$0	\$254,625	\$83,936	\$1,082,467
15	\$325,000	\$424,781	\$0	\$254,625	\$82,764	\$1,087,170
16	\$325,000	\$404,063	\$25,000	\$254,625	\$81,470	\$1,090,158
17	\$350,000	\$382,531	\$25,000	\$252,928	\$80,055	\$1,090,514
18	\$375,000	\$359,344	\$25,000	\$251,230	\$78,518	\$1,089,092
19	\$400,000	\$334,500	\$25,000	\$249,533	\$76,859	\$1,085,892
20	\$425,000	\$308,000	\$25,000	\$247,835	\$75,079	\$1,080,914
21	\$450,000	\$278,250	\$25,000	\$246,138	\$73,177	\$1,072,565
22	\$500,000	\$246,750	\$25,000	\$244,440	\$71,154	\$1,087,344
23	\$525,000	\$211,750	\$25,000	\$242,743	\$69,009	\$1,073,502
24	\$550,000	\$175,000	\$50,000	\$241,045	\$66,618	\$1,082,663
25	\$600,000	\$136,500	\$25,000	\$237,650	\$64,106	\$1,063,256
26	\$650,000	\$94,500	\$25,000	\$235,953	\$61,347	\$1,066,799
27	\$700,000	\$49,000	\$25,000	\$234,255	\$58,341	\$1,066,596
28	\$0	\$0	\$775,000	\$232,558	\$55,090	\$1,062,647
29	\$0	\$0	\$825,000	\$179,935	\$51,592	\$1,056,527
30	\$0	\$0	\$875,000	\$123,918	\$47,848	\$1,046,765
31	\$0	\$0	\$950,000	\$64,505	\$43,733	\$1,058,238
Total	\$8,750,000	\$10,376,781	\$3,750,000	\$7,288,778	\$2,290,011	\$32,455,570

1 - The principal and interest amounts are based on the Series 2014 Phase #1A Bonds final numbers.

2 - The interest amounts are calculated at the Phase #1 Reimbursement Agreement interest rate of 7.79 % for years 1 through 5 and 6.79% for years 6 through 31. The interest and principal amounts will be updated at the time of Phase #1B Bonds final pricing.

3 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and the additional 0.5% interest to be collected for prepayment reserve and delinquency reserves.

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733232	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733234	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733235	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733236	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.2
2733237	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$201.60)	\$2,757.8
2733238	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.2
2733239	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733240	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733241	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733242	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733244	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733245	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733246	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733247	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733248	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733249	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733250	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733251	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733252	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733253	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733254	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$185.86)	\$1,974.5
2733255	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$185.86)	\$1,974.5
2733256	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$178.00)	\$1,982.3
2733257	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$193.73)	\$1,966.6
2733258	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733259	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733260	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733261	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733262	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733263	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733264	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733265	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733266	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733267	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733268	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733269	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733270	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733271	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733272	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733273	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733274	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733275	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733276	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733277	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733278	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733279	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733280	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733281	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733282	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733283	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733284	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733285	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733286	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733287	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733288	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733289	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733290	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733291	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733292	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733293	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733294	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733295	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733296	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733297	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733298	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$201.60)	\$2,402.6
2733299	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733300	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733301	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733302	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733303	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733304	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733305	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$178.00)	\$2,426.2
2733306	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733307	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733308	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$178.00)	\$2,781.4
2733309	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$201.60)	\$2,757.8
2733310	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733311	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733312	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733313	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.2
2733314	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$209.46)	\$2,749.9
2733315	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$178.00)	\$2,781.4
2733316	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733317	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733318	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733319	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733320	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733321	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733322	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733323	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733324	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733325	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733326	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$185.86)	\$2,773.51
2733327	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$217.32)	\$2,742.05
2733328	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733329	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733330	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$178.00)	\$2,781.41
2733331	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$193.73)	\$2,765.64
2733332	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$178.00)	\$2,781.41
2733333	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733334	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733335	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733336	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733337	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733338	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$185.86)	\$2,773.51
2733339	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733340	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733341	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733342	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733343	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733344	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733345	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733346	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733347	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733348	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733349	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733350	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733351	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733352	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733353	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733354	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733355	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733356	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733357	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733358	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733359	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733360	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733361	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733362	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733363	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733364	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$178.00)	\$2,781.44
2733365	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$193.73)	\$2,765.64
2733366	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733367	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$193.73)	\$2,765.64
2733368	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$217.32)	\$2,742.05
2733369	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$193.73)	\$2,765.64
2733370	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$193.73)	\$2,765.64
2733371	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733372	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733373	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$185.86)	\$2,773.51
2733374	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$185.86)	\$2,773.51
2733375	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733376	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$209.46)	\$2,749.91
2733377	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$185.86)	\$2,773.51
2733378	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$201.60)	\$2,757.81
2733379	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733380	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733381	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733382	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733383	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733384	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733385	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733386	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733387	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.22
2733388	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$185.86)	\$1,974.51
2733389	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733390	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733391	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733392	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733393	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733394	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733395	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733396	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733397	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733398	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.66
2733399	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.81
2733400	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.81
2733401	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.81

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733402	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733403	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733404	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733405	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733406	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733407	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733408	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733409	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733410	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733411	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733412	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$193.73)	\$1,966.60
2733413	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.20
2733414	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$193.73)	\$1,966.60
2733415	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.20
2733416	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733417	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733418	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733419	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733420	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733421	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733422	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733423	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733424	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733425	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733426	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733427	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733428	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733429	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733430	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733431	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733432	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733433	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733434	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.90
2733435	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733436	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733437	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733438	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733439	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733440	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.90
2733441	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$201.60)	\$1,958.70
2733442	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.20
2733443	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$201.60)	\$1,958.70

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733444	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733445	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733446	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733447	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733448	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733449	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733450	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$201.60)	\$1,958.7
2733451	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733452	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.6
2733453	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.6
2733454	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2726852	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2726853	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2726854	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.6
2726855	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$122.95)	\$2,037.4
2726856	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$178.00)	\$1,982.3
2726857	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2726858	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$154.40)	\$2,449.8
2726859	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$154.40)	\$2,449.8
2726860	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$178.00)	\$2,426.2
2726861	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726862	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726865	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.4
2726866	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.7
2726867	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0
2726868	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.6
2726869	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.6
2726870	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.6
2726871	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.3
2726872	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0
2726873	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726874	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726875	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726876	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726877	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726878	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.7
2726879	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.7
2726880	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$233.79)	\$2,725.6
2726881	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$224.08)	\$2,735.3
2726882	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$233.79)	\$2,725.6
2726883	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$214.37)	\$2,745.0
2726884	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.7

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2726885	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.77
2726886	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726887	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726888	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$243.50)	\$2,715.90
2726889	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$214.37)	\$2,745.00
2726890	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726891	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726892	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726893	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726894	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726895	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726896	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726897	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$214.37)	\$2,745.00
2726898	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$224.08)	\$2,735.33
2726899	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726900	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.77
2726901	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.66
2726902	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.33
2726903	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726904	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726905	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726906	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726907	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.66
2726908	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.33
2726909	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726910	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726911	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726912	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726913	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726914	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726915	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726916	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726917	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726918	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726919	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726920	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726921	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726922	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.77
2726923	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726924	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726925	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726926	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2726927	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726928	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726929	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726930	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726931	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726932	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726933	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726934	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726935	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726936	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726937	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726938	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726939	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726940	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726941	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726942	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.6
2726943	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0
2726944	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.6
2726945	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726946	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726947	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726948	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726949	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726950	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726951	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726952	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$214.37)	\$2,389.9
2726953	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$224.08)	\$2,380.2
2726954	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.3
2726955	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0
2726956	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.3
2726957	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0
2726958	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726959	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726960	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726961	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726962	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.3
2726963	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$214.37)	\$2,389.9
2726964	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726965	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726966	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726967	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726968	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2726969	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726970	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726971	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726972	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726973	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726974	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726975	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726976	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726977	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.33
2726978	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726979	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726980	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726981	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726982	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726983	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.74
2726984	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.33
2732817	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732818	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732819	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732820	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732821	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2732931	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732932	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732933	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732934	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732935	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732936	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732937	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732938	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732939	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732940	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732941	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732942	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732943	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732944	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732945	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732946	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732947	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732948	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732949	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732950	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732951	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2732952	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732953	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732954	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732955	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732956	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732957	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732958	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732959	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732960	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732961	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732962	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732963	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732964	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732965	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732966	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732967	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732968	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732969	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732970	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732971	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732972	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732973	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732974	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732975	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732976	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732977	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732978	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732979	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732980	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732981	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732982	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732983	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732984	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732985	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732986	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732987	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732988	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732989	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732990	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.6
2732991	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732992	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8
2732993	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.8

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2732994	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732995	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732996	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732997	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732998	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732999	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733000	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733001	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733002	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733003	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733004	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733005	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733006	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733007	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733008	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733009	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733010	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733011	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733012	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733013	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733014	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733017	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733018	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733019	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2697055	0		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	427		374.80	\$12,200,000	\$1,079,187.50	\$30,000.00	(\$72,153.51)	\$1,037,033.99

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2726852	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2726853	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2726854	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2726855	\$ 297.22	\$ 39.09	\$ 258.13	\$ 122.95
2726856	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2726857	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2726858	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2726859	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2726860	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2726861	\$ 6.45	\$ -	\$ 6.45	\$ -
2726862	\$ 6.45	\$ -	\$ 6.45	\$ -
2726865	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726866	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726867	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726868	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726869	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726870	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726871	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726872	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726873	\$ 6.45	\$ -	\$ 6.45	\$ -
2726874	\$ 6.45	\$ -	\$ 6.45	\$ -
2726875	\$ 6.45	\$ -	\$ 6.45	\$ -
2726876	\$ 6.45	\$ -	\$ 6.45	\$ -
2726877	\$ 6.45	\$ -	\$ 6.45	\$ -
2726878	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726879	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726880	\$ 529.93	\$ 39.09	\$ 490.84	\$ 233.79
2726881	\$ 509.55	\$ 39.09	\$ 470.46	\$ 224.08
2726882	\$ 529.93	\$ 39.09	\$ 490.84	\$ 233.79
2726883	\$ 489.17	\$ 39.09	\$ 450.08	\$ 214.37
2726884	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726885	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726886	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726887	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726888	\$ 550.31	\$ 39.09	\$ 511.22	\$ 243.50
2726889	\$ 489.17	\$ 39.09	\$ 450.08	\$ 214.37

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2726890	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726891	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726892	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726893	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726894	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726895	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726896	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726897	\$ 489.17	\$ 39.09	\$ 450.08	\$ 214.37
2726898	\$ 509.55	\$ 39.09	\$ 470.46	\$ 224.08
2726899	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726900	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726901	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726902	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726903	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726904	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726905	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726906	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726907	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726908	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726909	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726910	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726911	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726912	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726913	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726914	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726915	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726916	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726917	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726918	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726919	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726920	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726921	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726922	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726923	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726924	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726925	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726926	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2726927	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726928	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726929	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726930	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726931	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726932	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726933	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726934	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726935	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726936	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726937	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726938	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726939	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726940	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726941	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726942	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726943	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726944	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726945	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726946	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726947	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726948	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726949	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726950	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726951	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726952	\$ 489.17	\$ 39.09	\$ 450.08	\$ 214.37
2726953	\$ 509.55	\$ 39.09	\$ 470.46	\$ 224.08
2726954	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726955	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726956	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726957	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726958	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726959	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726960	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726961	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726962	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726963	\$ 489.17	\$ 39.09	\$ 450.08	\$ 214.37

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2726964	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726965	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726966	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726967	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726968	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726969	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726970	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726971	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726972	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726973	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726974	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726975	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726976	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726977	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726978	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726979	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726980	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726981	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726982	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726983	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726984	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2732817	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732818	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732819	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732820	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732821	\$ 6.45	\$ -	\$ 6.45	\$ -
2732931	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732932	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732933	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732934	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732935	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732936	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732937	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732938	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732939	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732940	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732941	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2732942	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732943	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732944	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732945	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732946	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732947	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732948	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732949	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732950	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732951	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732952	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732953	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732954	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732955	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732956	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732957	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732958	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732959	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732960	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732961	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732962	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732963	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732964	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732965	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732966	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732967	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732968	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732969	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732970	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732971	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732972	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732973	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732974	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732975	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732976	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732977	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732978	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2732979	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732980	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732981	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732982	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732983	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732984	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732985	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732986	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732987	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732988	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732989	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732990	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732991	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732992	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732993	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732994	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732995	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732996	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732997	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732998	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732999	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733000	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733001	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733002	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733003	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733004	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733005	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733006	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733007	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733008	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733009	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733010	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733011	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733012	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733013	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733014	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733017	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733018	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733019	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733232	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733234	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733235	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733236	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733237	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733238	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733239	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733240	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733241	\$ 6.45	\$ -	\$ 6.45	\$ -
2733242	\$ 6.45	\$ -	\$ 6.45	\$ -
2733244	\$ 6.45	\$ -	\$ 6.45	\$ -
2733245	\$ 6.45	\$ -	\$ 6.45	\$ -
2733246	\$ 6.45	\$ -	\$ 6.45	\$ -
2733247	\$ 6.45	\$ -	\$ 6.45	\$ -
2733248	\$ 6.45	\$ -	\$ 6.45	\$ -
2733249	\$ 6.45	\$ -	\$ 6.45	\$ -
2733250	\$ 6.45	\$ -	\$ 6.45	\$ -
2733251	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733252	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733253	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733254	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733255	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733256	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733257	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733258	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733259	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733260	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733261	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733262	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733263	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733264	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733265	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733266	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733267	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733268	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733269	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733270	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733271	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733272	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733273	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733274	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733275	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733276	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733277	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733278	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733279	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733280	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733281	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733282	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733283	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733284	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733285	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733286	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733287	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733288	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733289	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733290	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733291	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733292	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733293	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733294	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733295	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733296	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733297	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733298	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733299	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733300	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733301	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733302	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733303	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733304	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733305	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733306	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733307	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733308	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733309	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733310	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733311	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733312	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733313	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733314	\$ 478.85	\$ 39.09	\$ 439.76	\$ 209.46
2733315	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733316	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733317	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733318	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733319	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733320	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733321	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733322	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733323	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733324	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733325	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733326	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733327	\$ 495.36	\$ 39.09	\$ 456.27	\$ 217.32
2733328	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733329	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733330	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733331	\$ 445.82	\$ 39.09	\$ 406.74	\$ 193.73
2733332	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733333	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733334	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733335	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733336	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733337	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733338	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733339	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733340	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733341	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733342	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733343	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733344	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733345	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733346	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733347	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733348	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733349	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733350	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733351	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733352	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733353	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733354	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733355	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733356	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733357	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733358	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733359	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733360	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733361	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733362	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733363	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733364	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733365	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733366	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733367	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733368	\$ 495.36	\$ 39.09	\$ 456.27	\$ 217.32
2733369	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733370	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733371	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733372	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733373	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733374	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733375	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733376	\$ 478.85	\$ 39.09	\$ 439.76	\$ 209.46
2733377	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733378	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733379	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733380	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733381	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733382	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733383	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733384	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733385	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733386	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733387	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733388	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733389	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733390	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733391	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733392	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733393	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733394	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733395	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733396	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733397	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733398	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733399	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733400	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733401	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733402	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733403	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733404	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733405	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733406	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733407	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733408	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733409	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733410	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733411	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733412	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733413	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733414	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733415	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733416	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733417	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733418	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733419	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733420	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733421	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733422	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733423	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733424	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733425	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733426	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733427	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733428	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733429	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733430	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733431	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733432	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733433	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733434	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733435	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733436	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733437	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733438	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733439	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733440	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733441	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733442	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733443	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733444	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733445	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733446	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733447	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733448	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733449	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733450	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733451	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733452	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733453	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 38 : Creeks of Legacy PID Ph 2 Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733454	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
Total	\$ 168,287.04	\$ 16,689.87	\$ 151,597.18	\$ 72,153.51

Appendix H**ASSESSMENT ROLL – Phase #2 Assessed Property**

Appendix H

Assessment Roll - Phase 2 Assessed Property

Parcel	All Parcels
Total Assessment	\$6,875,000
Total Equivalent Units	339.10

Year	Principal ¹	Interest ¹	Administrative Expenses ²	Total Annual Installment
2018	\$0	\$402,188	\$35,000	\$437,188
2019	\$32,000	\$402,188	\$35,350	\$469,538
2020	\$40,000	\$400,316	\$35,704	\$476,019
2021	\$47,000	\$397,976	\$36,061	\$481,036
2022	\$56,000	\$395,226	\$30,000	\$481,226
2023	\$64,000	\$391,950	\$30,300	\$486,250
2024	\$74,000	\$388,206	\$30,603	\$492,809
2025	\$84,000	\$383,877	\$30,909	\$498,786
2026	\$95,000	\$378,963	\$31,218	\$505,181
2027	\$107,000	\$373,406	\$31,530	\$511,936
2028	\$119,000	\$367,146	\$31,846	\$517,992
2029	\$132,000	\$360,185	\$32,164	\$524,349
2030	\$146,000	\$352,463	\$32,486	\$530,948
2031	\$161,000	\$343,922	\$32,811	\$537,732
2032	\$178,000	\$334,503	\$33,139	\$545,642
2033	\$195,000	\$324,090	\$33,470	\$552,560
2034	\$213,000	\$312,683	\$33,805	\$559,487
2035	\$233,000	\$300,222	\$34,143	\$567,365
2036	\$254,000	\$286,592	\$34,484	\$575,076
2037	\$276,000	\$271,733	\$34,829	\$582,562
2038	\$300,000	\$255,587	\$35,177	\$590,764
2039	\$325,000	\$238,037	\$35,529	\$598,566
2040	\$352,000	\$219,024	\$35,884	\$606,908
2041	\$381,000	\$198,432	\$36,243	\$615,675
2042	\$412,000	\$176,144	\$36,606	\$624,749
2043	\$445,000	\$152,042	\$36,972	\$634,013
2044	\$480,000	\$126,009	\$37,341	\$643,350
2045	\$517,000	\$97,929	\$37,715	\$652,644
2046	\$557,000	\$67,685	\$38,092	\$662,777
2047	\$600,000	\$35,100	\$38,473	\$673,573
Total	\$6,875,000	\$8,733,816	\$1,027,883	\$16,636,699

1 - The principal and interest are estimated using 5.85% and will be updated at the time of bond pricing.

The interest amounts include 0.5% additional interest for Prepayment Reserve and Delinquency Reserve.

2 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and will be updated each year in Annual Service Plan Updates.

Appendix H

Assessment Roll - Phase 2 Assessed Property

Parcel	Lot Type 1 (70' Lot)
Total Assessment	\$20,274
Total Equivalent Units	1.00

Year	Principal ¹	Interest ¹	Administrative Expenses ³	Total Annual Installment
2018	\$0	\$1,186	\$103	\$1,289
2019	\$94	\$1,186	\$104	\$1,385
2020	\$118	\$1,181	\$105	\$1,404
2021	\$139	\$1,174	\$106	\$1,419
2022	\$165	\$1,166	\$88	\$1,419
2023	\$189	\$1,156	\$89	\$1,434
2024	\$218	\$1,145	\$90	\$1,453
2025	\$248	\$1,132	\$91	\$1,471
2026	\$280	\$1,118	\$92	\$1,490
2027	\$316	\$1,101	\$93	\$1,510
2028	\$351	\$1,083	\$94	\$1,528
2029	\$389	\$1,062	\$95	\$1,546
2030	\$431	\$1,039	\$96	\$1,566
2031	\$475	\$1,014	\$97	\$1,586
2032	\$525	\$986	\$98	\$1,609
2033	\$575	\$956	\$99	\$1,629
2034	\$628	\$922	\$100	\$1,650
2035	\$687	\$885	\$101	\$1,673
2036	\$749	\$845	\$102	\$1,696
2037	\$814	\$801	\$103	\$1,718
2038	\$885	\$754	\$104	\$1,742
2039	\$958	\$702	\$105	\$1,765
2040	\$1,038	\$646	\$106	\$1,790
2041	\$1,124	\$585	\$107	\$1,816
2042	\$1,215	\$519	\$108	\$1,842
2043	\$1,312	\$448	\$109	\$1,870
2044	\$1,416	\$372	\$110	\$1,897
2045	\$1,525	\$289	\$111	\$1,925
2046	\$1,643	\$200	\$112	\$1,955
2047	\$1,769	\$104	\$113	\$1,986
Total	\$20,274	\$25,756	\$3,031	\$49,061

1 - The principal and interest are estimated using 5.85% and will be updated at the time of bond pricing.
The interest amounts include 0.5% additional interest for Prepayment Reserve and Delinquency Reserve.

2 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and will be updated each year in Annual Service Plan Updates.

Appendix H

Assessment Roll - Phase 2 Assessed Property

Parcel	Lot Type 2 (60' Lot)
Total Assessment	\$17,841
Total Equivalent Units	0.88

Year	Principal ¹	Interest ¹	Administrative Expenses ³	Total Annual Installment
2018	\$0	\$1,044	\$91	\$1,135
2019	\$83	\$1,044	\$92	\$1,218
2020	\$104	\$1,039	\$93	\$1,235
2021	\$122	\$1,033	\$94	\$1,248
2022	\$145	\$1,026	\$78	\$1,249
2023	\$166	\$1,017	\$79	\$1,262
2024	\$192	\$1,007	\$79	\$1,279
2025	\$218	\$996	\$80	\$1,294
2026	\$247	\$983	\$81	\$1,311
2027	\$278	\$969	\$82	\$1,329
2028	\$309	\$953	\$83	\$1,344
2029	\$343	\$935	\$83	\$1,361
2030	\$379	\$915	\$84	\$1,378
2031	\$418	\$893	\$85	\$1,395
2032	\$462	\$868	\$86	\$1,416
2033	\$506	\$841	\$87	\$1,434
2034	\$553	\$811	\$88	\$1,452
2035	\$605	\$779	\$89	\$1,472
2036	\$659	\$744	\$89	\$1,492
2037	\$716	\$705	\$90	\$1,512
2038	\$779	\$663	\$91	\$1,533
2039	\$843	\$618	\$92	\$1,553
2040	\$913	\$568	\$93	\$1,575
2041	\$989	\$515	\$94	\$1,598
2042	\$1,069	\$457	\$95	\$1,621
2043	\$1,155	\$395	\$96	\$1,645
2044	\$1,246	\$327	\$97	\$1,670
2045	\$1,342	\$254	\$98	\$1,694
2046	\$1,445	\$176	\$99	\$1,720
2047	\$1,557	\$91	\$100	\$1,748
Total	\$17,841	\$22,665	\$2,667	\$43,174

1 - The principal and interest are estimated using 5.85% and will be updated at the time of bond pricing. The interest amounts include 0.5% additional interest for Prepayment Reserve and Delinquency Reserve.

2 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and will be updated each year in Annual Service Plan Updates.

Appendix H
Assessment Roll - Phase 2 Assessed Property

Parcel	Lot Type 3 (50' Lot)
Total Assessment	\$14,800
Total Equivalent Units	0.73

Year	Principal ¹	Interest ¹	Administrative Expenses ³	Total Annual Installment
2018	\$0	\$866	\$75	\$941
2019	\$69	\$866	\$76	\$1,011
2020	\$86	\$862	\$77	\$1,025
2021	\$101	\$857	\$78	\$1,036
2022	\$121	\$851	\$65	\$1,036
2023	\$138	\$844	\$65	\$1,047
2024	\$159	\$836	\$66	\$1,061
2025	\$181	\$826	\$67	\$1,074
2026	\$205	\$816	\$67	\$1,088
2027	\$230	\$804	\$68	\$1,102
2028	\$256	\$790	\$69	\$1,115
2029	\$284	\$775	\$69	\$1,129
2030	\$314	\$759	\$70	\$1,143
2031	\$347	\$740	\$71	\$1,158
2032	\$383	\$720	\$71	\$1,175
2033	\$420	\$698	\$72	\$1,190
2034	\$459	\$673	\$73	\$1,204
2035	\$502	\$646	\$74	\$1,221
2036	\$547	\$617	\$74	\$1,238
2037	\$594	\$585	\$75	\$1,254
2038	\$646	\$550	\$76	\$1,272
2039	\$700	\$512	\$76	\$1,289
2040	\$758	\$472	\$77	\$1,307
2041	\$820	\$427	\$78	\$1,325
2042	\$887	\$379	\$79	\$1,345
2043	\$958	\$327	\$80	\$1,365
2044	\$1,033	\$271	\$80	\$1,385
2045	\$1,113	\$211	\$81	\$1,405
2046	\$1,199	\$146	\$82	\$1,427
2047	\$1,292	\$76	\$83	\$1,450
Total	\$14,800	\$18,802	\$2,213	\$35,815

1 - The principal and interest are estimated using 5.85% and will be updated at the time of bond pricing.
The interest amounts include 0.5% additional interest for Prepayment Reserve and Delinquency Reserve.

2 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and will be updated each year in Annual Service Plan Updates.



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: Creeks of Legacy PID Ph 1b Bond Ord

Action Requested:

Consider and act upon an ordinance approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1b Project); and approving and authorizing related agreements. (DeBuff)

Background Information:

Approval of the issuance and sale of PID Bonds for Creeks of Legacy, Phase 1b.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Ordinance
- Updated Service & Assessment Plan

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. 2018-__

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #1B 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 "Creeks of Legacy Public Improvement District" (the "District"), pursuant to Resolution No. 2014-17R adopted by the City Council of the City (the "City Council") on April 29, 2014; and

WHEREAS, pursuant to the PID Act, the City Council published notice of and opened a public hearing on June 11, 2014 and recessed that public hearing until June 18, 2014, at which time the City Council convened the public hearing regarding the levy of special assessments against benefitted property located in the District, and, after hearing testimony at such public hearing, the City Council closed the public hearing and adopted Ordinance No. 2014-26 (the "Phase #1 Assessment Ordinance") on June 18, 2014; and

WHEREAS, in the Phase #1 Assessment Ordinance, the City Council approved and accepted the Creeks of Legacy Public Improvement District Service and Assessment Plan, dated June 18, 2014, as updated on March 13, 2018 and August 14, 2018 (the "Service and Assessment Plan") relating to the District and levied the "Phase #1 Assessments" (as defined in the Phase #1 Assessment Ordinance) against the "Phase #1 Assessed Property" (as defined in the Service and Assessment Plan) as shown on the "Phase #1 Assessment Roll" (as defined and described in 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 Phase #1 Assessments and other revenues received for the purposes of (i) paying a portion of the Costs of the Phase #1 Improvements, as defined in the Indenture (defined herein), (ii) paying a portion of the interest on Bonds during and after the period of acquisition and construction of the Phase #1 Improvements, (iii) funding a reserve fund for payment of principal and interest on Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuing the Bonds; and

WHEREAS, the City previously entered into an Indenture of Trust, dated as of June 1, 2014 (the "2014 Indenture") between the City and the Trustee for the purpose of financing a portion of the Costs of the Phase #1 Improvements within Phase #1 of the District; and

WHEREAS, pursuant to the terms of the 2014 Indenture, the City previously issued its \$8,750,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Public Improvement District Phase #1 Project) (the "2014 Bonds"); and

WHEREAS, the City wishes to amend and restate the 2014 Indenture in its entirety by the Amended and Restated Indenture of Trust, dated as of September 1, 2018, by and between the City and the Trustee; and

WHEREAS, the City 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 2018 (Creeks of Legacy Public Improvement District Phase #1B Project)" (the "Bonds"), such series to be payable from and secured by the Pledged Revenues 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 costs of the Phase #1 Improvements, as identified in the Service and Assessment Plan, (ii) approve the form, terms and provisions of an indenture of trust 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 Costs of the Phase #1 Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, and (iii) paying the costs of issuing the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Amended and Restated Indenture of Trust (the "Indenture") dated as of September 1, 2018, between the City and U.S. Bank National Association, as trustee (the "Trustee"), 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 Indenture by the Mayor or Mayor Pro Tem of the City, 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. 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.

(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" (as defined in the Indenture) 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 Mayor or Mayor Pro Tem is hereby authorized and directed to execute such Limited Offering Memorandum with such changes and alterations therein as the Mayor or Mayor Pro Tem may approve, such approval to be conclusively evidenced by such execution thereof. The Limited Offering Memorandum as thus approved, executed 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 execution, 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 Consultants (as defined in the Limited Offering Memorandum), the Developer (as defined in the Indenture) or their financial ability, any builders, any landowners, or the appraisal of the property in the District.

SECTION 4. Continuing Disclosure Agreement. That certain Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City and U.S. Bank National Association (the "Dissemination Agent") 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 Director of Finance, 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 Director of Finance, 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 Phase #1 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.

PASSED AND ADOPTED, this August 14, 2018.

CITY OF CELINA, TEXAS

Mayor Pro Tem

ATTEST:

City Secretary

(City Seal)

EXHIBIT A
INDENTURE OF TRUST

Attachment: Celina - Creeks of Legacy PID Phase 1B 2018 - Bond Ordinance - MASTER (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

AMENDED AND RESTATED
INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED AS OF SEPTEMBER 1, 2018

RELATED TO

\$8,750,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(CREEKS OF LEGACY PUBLIC IMPROVEMENT
DISTRICT PHASE #1 PROJECT)

AND

\$ _____
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT
DISTRICT PHASE #1B PROJECT)

AMENDED AND RESTATED INDENTURE OF TRUST

WHEREAS, the City has previously entered into that certain Indenture of Trust, dated as of June 1, 2014, (the "2014 Indenture") between the City and U.S. Bank National Association, as Trustee; and

WHEREAS, the City wishes to amend and restate the 2014 Indenture in its entirety as this Amended and Restated Indenture of Trust, dated as of September 1, 2018 (this "Indenture"), by and between the City and the Trustee; and

WHEREAS, pursuant to Section 10.1 of the 2014 Indenture, the City is authorized to modify or amend the rights and obligations of the City and owners of the 2014 Bonds under the 2014 Indenture with the written consent of the owners of at least fifty-one percent (51%) of the Outstanding 2014 Bonds; and

WHEREAS, the owners of not less than fifty-one percent (51%) of the Outstanding 2014 Bonds have consented in writing to the amendment, modification, and replacement of the 2014 Indenture by this Indenture;

NOW, THEREFORE:

SECTION 1: Amended and Restated Indenture. The 2014 Indenture is hereby amended and restated as follows:

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THIS AMENDED AND RESTATED INDENTURE OF TRUST, dated as of September 1, 2018 is by and between the CITY OF CELINA, TEXAS (the "City"), and U.S. BANK NATIONAL ASSOCIATION, 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 Petitioners (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 Creeks of Legacy 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 Collin Central Appraisal District and Denton Central Appraisal District, and the signatures of property owners who own 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 April 29, 2014, 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 April 29, 2014, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2014-17R, 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 May 2, 2014, 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 May 2, 2014; and

WHEREAS, on May 22, 2014, the City Council by Resolution 2014-22R made findings and determinations relating to the Actual Costs of certain Phase #1 Improvements and directed City staff to (i) prepare a proposed assessment roll as required by Section 372.016(a) of the PID Act, (ii) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b), (iii) publish such notice as required by Section 372.016(b) of the PID Act, and (iv) prepare a service and assessment plan in accordance with Sections 372.13 and 372.14 of the PID Act; and

WHEREAS, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City and in the extraterritorial jurisdiction of the City to consider the proposed "Phase #1 Assessment Roll" and the "Service and Assessment Plan" and the levy of the "Phase #1 Assessments" on property in 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 Phase #1 Assessment Roll and the Service and Assessment Plan and the levy of Phase #1 Assessments on property in the District

to the last known address of the owners of the property liable for the Phase #1 Assessments; and

WHEREAS, the City Council convened the hearing on June 11, 2014, 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 Phase #1 Assessment Roll and the Phase #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Phase #1 Assessments, the allocation of Actual Costs, the purposes of the Phase #1 Assessments, the special benefits of the Phase #1 Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Phase #1 Assessments, and then the City Council recessed such public hearing until June 18, 2014; and

WHEREAS, on June 18, 2014, the City Council reconvened the public hearing first opened on June 11, 2014 as referenced above, and all persons who appeared, or requested to appear, in person or by their attorney, were also given the opportunity to contend for or contest the proposed Phase #1 Assessment Roll and the Phase #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Phase #1 Assessments, the allocation of Actual Costs, the purposes of the Phase #1 Assessments, the special benefits of the Phase #1 Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Phase #1 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, the Phase #1 Assessment Roll, and the levy of the Phase #1 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

WHEREAS, on June 18, 2014, the City approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Phase #1 Assessment Ordinance and therein levied the Phase #1 Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Phase #1 Assessments for the purpose of (i) paying or refinancing a portion of the Actual Costs of the Phase #1 Improvements, (ii) paying a portion of the interest on the Bonds Similarly Secured (as defined herein) during and after the period of acquisition and construction of the Phase #1 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying costs of issuance of the Bonds Similarly Secured; and

WHEREAS, the City previously issued its \$8,750,00 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Public Improvement District Phase #1 Project), dated June 1, 2014 pursuant to that certain Indenture of Trust, dated as of June 1, 2014, between the City and the Trustee; and

WHEREAS, the City Council now desires to issue revenue bonds in accordance with this Indenture and the PID Act, such bonds to be entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B Project)" (the "2018 Bonds", and jointly with the 2014 Bonds and any Additional Bonds issued hereafter, the "Bonds Similarly Secured"), such 2018 Bonds being payable solely from the Pledged Revenues and other funds pledged under this Indenture to the payment of the Bonds Similarly Secured and for the purposes set forth in the preamble of this Indenture; and

WHEREAS, the 2018 Bonds are being issued as Additional Bonds (as defined herein) and are secured by and payable from a lien on and pledge of the Trust Estate (as defined herein) on parity with the 2014 Bonds; and

WHEREAS, and the City has received an acknowledgement and waiver from the Owners of the Outstanding 2014 Bonds consenting to the issuance of the 2018 Bonds as Additional Bonds pursuant to Section 13.2 of the 2014 Indenture on parity with the 2014 Bonds; and

WHEREAS, the City Council has found and determined that the issuance of the 2018 Bonds to pay or refinance the Actual Costs of the Phase #1 Improvements and the restructuring the debt service requirements associated with the obligations that are payable from the Pledged Revenues is beneficial to the homeowners in the District and is in the best interests of the City; 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 Similarly Secured 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 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 Similarly Secured from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds Similarly Secured 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 Phase #1 Assessments have been prepaid, the lien on real property associated with such Phase #1 Assessment prepayment shall be released from the Trust Estate and shall no longer constitute a part of the Trust Estate;

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 Similarly Secured at the times and in the manner stated in the Bonds Similarly Secured, 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 Similarly Secured issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate created, assigned, and pledged under the terms of this Indenture 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 Similarly Secured 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:

"2014 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 2014 (Creeks of Legacy Public Improvement District Phase #1 Project)".

"2014 Bond Ordinance" means Ordinance No. 2014-29 adopted by the City Council on June 18, 2014, authorizing the issuance of the 2014 Bonds.

"2014 Indenture" means the Indenture of Trust, dated as of June 1, 2014 between the City and the Trustee.

"2018 Bonds" means the City's bonds authorized to be issued by Section 3.2 of this Indenture entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B Project)".

"2018 Bond Ordinance" means Ordinance No. _____ adopted by the City Council on _____, 2018 authorizing the issuance of the 2018 Bonds.

"Account" means any of the accounts established under the terms of the 2014 Indenture and confirmed pursuant to Section 6.1 of this Indenture.

"Actual Costs" means the costs of the Phase #1 Improvements.

"Additional Bonds" means the additional parity bonds authorized to be issued in accordance with the terms and conditions prescribed in Section 13.2(c) of this Indenture.

"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 Phase #1 Assessments securing the Bonds Similarly Secured, levied against property within the District in accordance with the PID Act.

“Administrative Fund” means that Fund established under the terms of the 2014 Indenture and confirmed by Section 6.1 and administered pursuant to Section 6.10 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.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs 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 Phase #1 Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Phase #1 Assessments and the system of registration and transfer of the Bonds Similarly Secured, (v) paying and redeeming the Bonds Similarly Secured, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds Similarly Secured, (viii) the Trustee fees and expenses relating to the Bonds Similarly Secured, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Phase #1 Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds Similarly Secured. 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 Similarly Secured in such Bond Year, assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds Similarly Secured 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 Phase #1 Assessments as shown on the Phase #1 Assessment Roll attached to the Service and Assessment Plan as Appendix G and related to the Bonds Similarly Secured and the Phase #1 Improvements; which annual payment includes the 0.20% additional interest collected on each annual payment of the Phase #1 Assessments for the prepayment reserve and the 0.30% additional interest rate collected on each annual payment of the Phase #1 Assessments for the delinquency reserve as described in Section 6.8 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 Phase #1 of the District against which a Phase #1 Assessment is levied by the Phase #1 Assessment Ordinance in accordance with the Service and Assessment Plan.

"Assessment Revenue" means monies collected by or on behalf of the City from any one or more of the following: (i) a Phase #1 Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Phase #1 Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

"Authorized Denominations" means \$25,000 and any integral multiple of \$5,000 in excess thereof; provided, however, that if the total principal amount of the any series of Outstanding Bonds Similarly Secured, is less than \$25,000 then the Authorized Denomination of such series shall be the amount of the Outstanding Bonds Similarly Secured.

"Authorized Improvements" means the improvements authorized by Section 372.003 of the PID Act, including those listed in Section III of the Service and Assessment Plan, for which Phase #1 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.

"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, with respect to each series of Bonds Similarly Secured, the date designated as the initial date of such series of Bonds Similarly Secured and with respect to the 2014 Bonds the date set forth in Section 3.3(a) of this Indenture and, with respect to the 2018 Bonds, the date set forth in by Section 3.4(a) of this Indenture.

"Bond Fund" means the Fund established under the terms of the 2014 Indenture and confirmed pursuant to Section 6.1 and administered as provided in Section 6.5 hereof.

"Bond Pledged Revenue Account" means the Account of such name established under the terms of the 2014 Indenture and confirmed pursuant to Section 6.1 hereof.

"Bond Year" means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

"Bonds Similarly Secured" means, collectively, any Outstanding 2014 Bonds, Outstanding 2018 Bonds, and any Additional Bonds issued hereafter.

"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.

"Certification for Payment" means a certificate executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City

Representative, specifying the amount of work performed and the cost thereof, presented to the Trustee to request funding for Actual Costs from money on deposit in the Project Fund.

"City Certificate" means a certificate signed by the City Representative and delivered to the Trustee.

"City Order" means written instructions by the City, executed by a City Representative.

"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 respective date of the initial delivery of and payment for each series of Bonds Similarly Secured.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

"Construction Funding Agreement" means the "Phase #1 Construction, Funding and Acquisition Agreement" between the City and the Developer relating to the Bonds Similarly Secured, dated as of June 18, 2014, which provides for the appointment, levying and collection of Phase #1 Assessments, the construction of the Phase #1 Improvements, the maintenance of the Phase #1 Improvements, the issuance of bonds and other matters related thereto.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

"Delinquency Reserve Requirement" means an amount equal to 4% of the principal amount of the Outstanding Bonds Similarly Secured which has been or will be funded from revenues received from the payment of Phase #1 Assessments deposited to the Pledged Revenue Fund.

"Delinquent Collection Costs" means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of a delinquent Phase #1 Assessment, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"Developer" means collectively, CTMGT Frontier 80, LLC, a Texas limited liability company (including its successors and assigns).

"Development Agreement" means the "Development Agreement" between the City, the Developer, and the governing body of the "Celina Tax Increment Reinvestment Zone No. 2", dated as of June 18, 2014 which provides for the development of property within the District, the creation of the District and a tax increment reinvestment zone, the construction and financing of the Authorized Improvements and other matters related thereto.

"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.

“DTC” shall mean The Depository Trust Company located in 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 Phase #1 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 under the terms of the 2014 Indenture and confirmed pursuant to Section 6.1 of this Indenture.

“Indenture” means, this Amended and Restated Indenture of Trust by and between the City and Trustee, 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 Similarly Secured; (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 Bonds” means the Initial Bonds set forth in Exhibit A (with respect to the 2014 Bonds) and Exhibit B (with respect to the 2018 Bonds) to this Indenture or (with respect to Additional Bonds) as set forth in a Supplemental Indenture.

“Interest Payment Date” means the date or dates upon which interest on any series of Bonds Similarly Secured is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on September 1 and March 1 of each year, and commencing, with respect to the 2014 Bonds, on March 1, 2014 and, with respect to the 2018 Bonds, on March 1, 2019.

“Investment Securities” means those authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; 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.

“Major Improvement Projects” means the Authorized Improvements which will benefit all of the property within the District and are more particularly described in Section III of the Service and Assessment Plan.

“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 Outstanding Bonds Similarly Secured.

“Outstanding” means, as of any particular date when used with reference to any series of Bonds Similarly Secured, all Bonds Similarly Secured of such series authenticated and delivered under this Indenture except (i) any Bond Similarly Secured of such series that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond Similarly Secured of such series 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 of this Indenture, and (iii) any Bond Similarly Secured of such series in lieu of or in substitution for which a new Bond Similarly Secured of such series shall have been authenticated and delivered pursuant to Section 3.13 of this Indenture.

“Owner” means the Person who is the registered owner of a Bond Similarly Secured, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds Similarly Secured are in book-entry only form and held by DTC as securities depository in accordance with Section 3.14 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.

“Petitioners” means collectively, CTMGT Frontier 80, LLC, a Texas limited liability company, CADG Frontier 192, LLC, a Texas limited liability company, James-Chan Wu, and Chin-Chao Wu, owners of real property within the District.

“Phase #1” means the initial phase developed within the District and further identified and described in the Service and Assessment Plan.

“Phase #1 Assessment Ordinance” means Ordinance No. 2014-26 adopted by the City Council on June 18, 2014, that levied the Phase #1 Assessments on the Assessed Parcels.

“Phase #1 Assessment Roll” means the assessment roll attached as Appendix G to the Service and Assessment Plan or any other Phase #1 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 Phase #1 Assessment against each Assessed Parcel related to the Phase #1 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.

“Phase #1 Assessments” means the aggregate assessments shown on the Phase #1 Assessment Rolls. The singular of such term means the assessment relating to the Phase #1 Improvements levied against an Assessed Parcel as shown on the Phase #1 Assessment Rolls, 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.

“Phase #1 Improvements” means the Phase #1 Improvements which will benefit Assessed Parcels located within Phase #1, as more particularly described in Section III.C of the

Service and Assessment Plan, plus a proportional share of costs for the Major Improvement Projects allocable to Phase #1.

"Phase #1 Reimbursement Agreement" means the "Creeks of Legacy Public Improvement District Phase #1 Reimbursement Agreement" between the City and the Developer dated as of June 18, 2014 which provides for the reimbursement of costs to the Developer from the Reimbursement Fund for funds withdrawn from the Landowner Improvement Account of the Project Fund and used to pay costs of Phase #1 Improvements.

"PID Act" means Texas Local Government Code, Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, 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 the terms of the 2014 Indenture and confirmed pursuant to Section 6.1 and administered pursuant to Section 6.4 hereof.

"Pledged Revenues" means the sum of (i) Assessment Revenue less the Administrative Expenses, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds Similarly Secured.

"Prepayment" means the payment of all or a portion of a Phase #1 Assessment before the due date thereof.

"Prepayment Reserve Requirement" means an amount equal to 1.5% of the principal amount of the Bonds Similarly Secured which has been or will be funded from revenues received from the payment of the Phase #1 Assessments deposited to the Pledged Revenue Fund.

"Project Fund" means that fund established pursuant to the terms of the 2014 Indenture and confirmed pursuant to Section 6.1 and administered pursuant to Section 6.6 hereof.

"Purchaser" means the initial purchaser of any series of the Bonds Similarly Secured.

"Rebate Amount" has the meaning set forth in section 1.148-1(b) of the Regulations.

"Rebate Fund" means that fund established pursuant to the terms of the 2014 Indenture and confirmed pursuant to Section 6.1 and administered pursuant to Section 6.9 hereof.

"Record Date" means the close of business on the fifteenth (whether or not a Business Day) day of the month next preceding an Interest Payment Date.

"Redemption Fund" means that that fund established pursuant to the terms of the 2014 Indenture and confirmed pursuant to Section 6.1 and administered pursuant to Section 6.7 hereof.

"Redemption Prices" means, when used with respect to any Bond Similarly Secured or portion thereof, the redemption prices shown (with respect to the 2014 Bonds) in Section 4.4

and (with respect to the 2018 Bonds) in Section 4.5 of this Indenture and (with respect to any Additional Bonds) as set forth in a Supplemental Indenture.

“Register” means the register specified in Article III of this Indenture.

“Reimbursement Fund” means that fund established pursuant to the terms of the 2014 Indenture and confirmed pursuant to Section 6.1 and administered pursuant to Section 6.13 here.

“Reserve Fund” means that fund established pursuant to the terms of the 2014 Indenture and confirmed pursuant to Section 6.1 and administered in Section 6.8 hereof.

“Reserve Fund Obligations” means cash or Investment Securities.

“Reserve Account Requirement” means the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of each such series of Bonds Similarly Secured, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of each such series of Bonds Similarly Secured, or (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to subsections (c) and (d) of Section 6.8; and provided further that as a result of an optional redemption pursuant to Section 4.4 (with respect to the 2014 Bonds) or Section 4.5 (with respect to the 2018 Bonds), the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of delivery of the 2018 Bonds, the Reserve Account Requirement is \$_____ which is an amount equal to Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of the 2018 Bonds.

“Service and Assessment Plan” means the Service and Assessment Plan for the District, including the Phase #1 Assessment Roll, as amended, including any annual updates thereto.

“Sinking Fund Installment” means the amount of money to redeem or pay at maturity the portion of the principal of any series of Outstanding Bonds Similarly Secured payable from such installments at the times and in the amounts provided in Section 4.2 herein (with respect to the 2014 Bonds) or Section 4.3 (with respect to the 2018 Bonds).

“Stated Maturity” means the date of any series of Bonds Similarly Secured, or any portion of the Bonds Similarly Secured, as applicable, are scheduled to mature without regard to any redemption or prepayment.

“Supplemental Indenture” means an indenture which has been duly executed by 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, collectively, the Certificate as to Tax Exemption delivered by the City on the Closing Date for the applicable series of Bonds Similarly Secured, setting forth the facts, estimates and circumstances in existence on the respective Closing Date which establish that it is not expected that the proceeds of the series of Bonds Similarly Secured will be used in

a manner that would cause the interest on such series of Bonds Similarly Secured 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 Similarly Secured.

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 Similarly Secured.

The Bonds Similarly Secured, 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 Pledged Revenues shall be valid and binding and fully perfected from and after June 1, 2014, the date of the 2014 Indenture, without physical delivery or transfer of control of the Pledged Revenues, the filing of the 2014 Indenture, 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 Similarly Secured and the pledge of the Pledged Revenues 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 Bonds Similarly Secured are Outstanding such that the pledge of the Pledged Revenues 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 Similarly Secured the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Owner, 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 of 2014 Bonds.

The 2014 Bonds were authorized, issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The 2014 Bonds were issued in the aggregate principal amount of \$8,750,000 for the purpose of (i) paying a portion of the Actual Costs of the Phase #1 Improvements, (ii) paying a portion of the interest on the 2014 Bonds during and after the period of acquisition and construction of the Phase #1 Improvements, (iii) funding a portion of a reserve fund for payment of principal and interest on Bonds Similarly Secured, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the 2014 Bonds.

Section 3.2. Authorization of 2018 Bonds.

The 2018 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 2018 Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of (i) paying or refinancing a portion of the Actual Costs of the Phase #1 Improvements, (ii) funding a reserve fund for payment of principal and interest on Bonds Similarly Secured, and (iii) paying the costs of issuance of the 2018 Bonds.

Section 3.3. Date, Denomination, Maturities, Numbers and Interest of 2014 Bonds.

(a) The 2014 Bonds shall be dated June 1, 2014 (the "Bond Date") and was issued in Authorized Denominations. The 2014 Bonds is 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 2014 Bond from the later of the date of initial delivery of the 2014 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 September 1, 2014 computed on the basis of a 360-day year of twelve 30-day months.

(c) The 2014 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>
****	*****	*****
2028	\$ 2,900,000	6.375%
****	*****	*****
2032	1,450,000	6.625%
****	*****	*****
2040	4,400,000	7.000%

The 2014 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 2014 Bond set forth in Exhibit A to this Indenture.

Section 3.4. Date, Denomination, Maturities, Numbers and Interest of 2018 Bonds.

(a) The 2018 Bonds shall be dated September 1, 2018 (the "Bond Date") and shall be issued in Authorized Denominations. The 2018 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 2018 Bond from the later of the date of initial delivery of the 2018 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, 2019 computed on the basis of a 360-day year of twelve 30-day months.

(c) The 2018 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 2018 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 2018 Bond set forth in Exhibit B to this Indenture.

Section 3.5. Conditions Precedent to Delivery of 2014 Bonds.

The conditions precedent to the delivery of the 2014 Bonds, as set forth in the 2014 Indenture, were satisfied prior to the delivery of the 2014 Bonds.

Section 3.6. Conditions Precedent to Delivery of 2018 Bonds.

The 2018 Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the 2018 Bonds and, upon payment of the purchase price of the 2018 Bonds, shall deliver the 2018 Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (a) a certified copy of the Phase #1 Assessment Ordinance;
- (b) a certified copy of the 2018 Bond Ordinance;

- (c) a copy of the executed Development Agreement;
- (d) a copy of the executed Construction Funding Agreement;
- (e) a copy of the executed Phase #1 Reimbursement Agreement;
- (f) a copy of this Indenture executed by the Trustee and the City; and

(g) a City Certificate directing the authentication and delivery of the 2018 Bonds, describing the 2018 Bonds to be authenticated and delivered, designating the purchasers to whom the 2018 Bonds are to be delivered, stating the purchase price of the 2018 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 3.7. Medium, Method and Place of Payment.

(a) Principal of and interest on Bonds Similarly Secured shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on Bonds Similarly Secured 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 Similarly Secured 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 Bonds Similarly Secured 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 Similarly Secured shall be paid to the Owner of such Bond Similarly Secured on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond Similarly Secured 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 Bonds Similarly Secured 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 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 3.3 (with respect to the 2014 Bonds) or 3.4 (with respect to the 2018 Bonds) 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 Similarly Secured 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 Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, 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 Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State of Texas.

Section 3.8. Execution and Registration of Bonds Similarly Secured.

(a) The Bonds Similarly Secured 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 Similarly Secured shall have the same effect as if each of the Bonds Similarly Secured had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds Similarly Secured shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds Similarly Secured.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds Similarly Secured ceases to be such officer before the authentication of such Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured. In lieu of the executed Certificate of Trustee described above, each Initial Bond delivered at the respective 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 such Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligations of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On each respective Closing Date, one Initial Bond representing the entire principal amount of such series of Bonds Similarly Secured, 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 such series of Bonds Similarly Secured, registered in the name of Cede & Co., as nominee of DTC.

Section 3.9. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond Similarly Secured is registered as the absolute owner of such Bond Similarly Secured for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond Similarly Secured is registered on the relevant Record Date) and for all other purposes, whether or not such Bond Similarly Secured 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 Similarly Secured shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond Similarly Secured to the extent of the sums paid.

Section 3.10. Registration, Transfer and Exchange.

(a) So long as any Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured shall be effective until entered in the Register.

(c) The Bonds Similarly Secured shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured of the same series, the same maturity and the same interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond Similarly Secured presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured exchanged for other Bonds Similarly Secured in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured transferred or exchanged in accordance with this Section. A new Bond Similarly Secured will be delivered by the Paying Agent/Registrar, in lieu of the Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured in lieu of which such transferred Bond Similarly Secured is delivered.

(e) Each exchange Bond Similarly Secured 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 Similarly Secured in lieu of which such exchange Bond Similarly Secured 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 Similarly Secured. 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 Similarly Secured.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond Similarly Secured 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 Similarly Secured.

Section 3.11. Cancellation.

All Bonds Similarly Secured paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds Similarly Secured in lieu of which exchange Bonds Similarly Secured or replacement Bonds Similarly Secured 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 Similarly Secured in accordance with the records retention requirements of the Trustee.

Section 3.12. Temporary Bonds Similarly Secured.

(a) Following the delivery and registration of an Initial Bond and pending the preparation of definitive Bonds Similarly Secured, 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 Similarly Secured that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds Similarly Secured 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 Similarly Secured may determine, as evidenced by their signing of such temporary Bonds Similarly Secured.

(b) Until exchanged for Bonds Similarly Secured in definitive form, such Bonds Similarly Secured 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 Similarly Secured in definitive form; thereupon, upon the presentation and surrender of the Bonds Similarly Secured in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds Similarly Secured in temporary form and the Trustee shall authenticate and deliver in exchange therefor Bonds Similarly Secured of the same series and maturity, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond Similarly Secured in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.13. Replacement Bonds Similarly Secured.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond Similarly Secured, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond Similarly Secured of like series, tenor, and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond Similarly Secured of like series, 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 Similarly Secured;

(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 Similarly Secured, if a bona fide purchaser of the original Bond Similarly Secured in lieu of which such replacement Bond Similarly Secured was issued presents for payment such original Bond Similarly Secured, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond Similarly Secured 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 Similarly Secured has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond Similarly Secured, may pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.

(e) Each replacement Bond Similarly Secured 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 Bonds Similarly Secured in lieu of which such replacement Bond Similarly Secured is delivered.

Section 3.14. Book-Entry Only System.

The Bonds Similarly Secured 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 each Closing Date the definitive Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured. 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 Similarly Secured, (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 Similarly Secured, 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 Similarly Secured. 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 Similarly Secured is registered in the Register as the absolute owner of such Bond Similarly Secured for the purpose of payment of principal of, premium, if any, and interest on Bonds Similarly Secured, for the purpose of giving notices of redemption and other matters with respect to such Bond Similarly Secured, for the purpose of registering transfer with respect to such Bond Similarly Secured, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds Similarly Secured 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 Similarly Secured to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a 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 3.15. 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 17(a) 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 Similarly Secured to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds Similarly Secured and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds Similarly Secured to DTC Participants having Bonds Similarly Secured credited to their

DTC accounts. In such event, the Bonds Similarly Secured 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 Similarly Secured shall designate, in accordance with the provisions of this Indenture.

Section 3.16. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds Similarly Secured 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 Similarly Secured, and all notices with respect to such Bonds Similarly Secured 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 2014 Bonds and the 2018 Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV. Any Additional Bonds shall be subject to redemption before their scheduled maturity only as provided in a Supplemental Indenture authorizing such Additional Bonds.

Section 4.2. Mandatory Sinking Fund Redemption of 2014 Bonds.

(a) The 2014 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 principal amounts as set forth in the following schedule:

Term Bonds Maturing September 1, 2028

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2016	\$ 150,000	September 1, 2023	\$ 225,000
September 1, 2017	150,000	September 1, 2024	250,000
September 1, 2018	175,000	September 1, 2025	250,000
September 1, 2019	175,000	September 1, 2026	275,000
September 1, 2020	200,000	September 1, 2027	300,000
September 1, 2021	200,000	September 1, 2028 (maturity)	325,000
September 1, 2022	225,000		

Term Bonds Maturing September 1, 2032

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2029	\$ 325,000
September 1, 2030	350,000
September 1, 2031	375,000
September 1, 2032 (maturity)	400,000

Term Bonds Maturing September 1, 2040

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2033	\$ 425,000
September 1, 2034	450,000
September 1, 2035	500,000
September 1, 2036	525,000
September 1, 2037	550,000

September 1, 2038	600,000
September 1, 2039	650,000
September 1, 2040 (maturity)	700,000

(b) At least forty-five (45) days prior to each mandatory sinking fund redemption date, the Trustee shall select a principal amount of 2014 Bonds of such maturity equal to the principal amount of such 2014 Bonds to be redeemed, shall call such 2014 Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.10.

(c) The principal amount of 2014 Bonds of a stated maturity required to be redeemed on any 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 2014 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 2014 Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of 2014 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 principal amounts by the principal amount of any 2014 Bonds which, at least forty-five (45) days prior to the mandatory 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. Mandatory Sinking Fund Redemption of 2018 Bonds.

(a) The 2018 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 principal amounts as set forth in the following schedule:

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
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Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Principal Amount</u>
------------------------	-------------------------

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Principal Amount</u>
------------------------	-------------------------

(b) At least forty-five (45) days prior to each mandatory sinking fund redemption date, the Trustee shall select a principal amount of 2018 Bonds of such maturity equal to the principal amount of such 2018 Bonds to be redeemed, shall call such 2018 Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.10.

(c) The principal amount of 2018 Bonds of a stated maturity required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.3 shall be reduced, at the option of the City, by the principal amount of any 2018 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 2018 Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of 2018 Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.3 shall be reduced on a pro rata basis among outstanding principal amounts by the principal amount of any 2018 Bonds which, at least forty-five (45) days prior to the mandatory 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 4.4. Optional Redemption of 2014 Bonds

(a) The City reserves the right and option to redeem 2014 Bonds before their scheduled maturity dates, in whole or in part, on any Interest Payment Date on or after September 1, 2022, such redemption date or dates to be fixed by the City, at the Redemption Prices shown below, plus accrued interest to the date of redemption.

<u>Redemption Date</u>	<u>Redemption Price</u>
On or after September 1, 2022	103%
On or after September 1, 2023	102%
On or after September 1, 2024	101%
On or after September 1, 2025	100%

Section 4.5. Optional Redemption of 2018 Bonds.

(a) The City reserves the right and option to redeem 2018 Bonds 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 the price of par, plus accrued interest to the date of redemption.

Section 4.6. Extraordinary Optional Redemption of 2014 Bonds.

The City reserves the right and option to redeem 2014 Bonds before their respective scheduled maturity dates, in whole or in part, on the first day of any month, at 100% of the principal amount of such 2014 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 as provided in Section 6.8(c)) or as a result of unexpended amounts transferred from the Project Fund as provided in Section 6.6(f).

Section 4.7. Extraordinary Optional Redemption of 2018 Bonds.

The City reserves the right and option to redeem 2018 Bonds before their respective scheduled maturity dates, in whole or in part, on the first day of any month, at 100% of the principal amount of such 2018 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 as provided in Section 6.8(c)) or as a result of unexpended amounts transferred from the Project Fund as provided in Section 6.6(f).

Section 4.8. Partial Redemption of 2014 Bonds.

(a) If less than all of the 2014 Bonds are to be redeemed pursuant to either Sections 4.2, 4.4 or 4.6, the 2014 Bonds shall be redeemed in minimum principal amounts of \$5,000 or any integral of thereof by any method selected by the Trustee that results in a pro rata reduction of the outstanding maturities. Each 2014 Bond shall be treated as representing the number of 2014 Bonds that is obtained by dividing the principal amount of such 2014 Bonds by \$5,000.

(b) A portion of a single 2014 Bond of an Authorized Denomination may be redeemed, but only in a principal amount equal to \$5,000 or any integral thereof. The Trustee shall treat each \$5,000 portion of such 2014 Bonds as though it were a single bond for purposes of selection for redemption. No redemption shall result in a 2014 Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding 2014 Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a 2014 Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued.

(c) Upon surrender of any 2014 Bond for redemption in part, the Trustee in accordance with Section 3.10 of this Indenture, shall authenticate and deliver and exchange the 2014 Bonds in an aggregate principal amount equal to the unredeemed portion of the 2014 Bond so surrendered, such exchange being without charge.

Section 4.9. Partial Redemption of 2018 Bonds.

(a) If less than all of the 2018 Bonds are to be redeemed pursuant to either Sections 4.3, 4.5 or 4.7, 2018 Bonds shall be redeemed in minimum principal amounts of \$5,000 or any integral of thereof by any method selected by the Trustee that results in a pro rata reduction of the outstanding maturities. Each 2018 Bond shall be treated as representing the number of 2018 Bonds that is obtained by dividing the principal amount of such 2018 Bonds by \$5,000.

(b) A portion of a single 2018 Bond of an Authorized Denomination may be redeemed, but only in a principal amount equal to \$5,000 or any integral thereof. The Trustee shall treat each \$5,000 portion of such 2018 Bonds as though it were a single bond for purposes of selection for redemption. No redemption shall result in a 2018 Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding 2018 Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a 2018 Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued.

(c) Upon surrender of any 2018 Bond for redemption in part, the Trustee in accordance with Section 3.10 of this Indenture, shall authenticate and deliver and exchange the 2018 Bonds in an aggregate principal amount equal to the unredeemed portion of the 2018 Bond so surrendered, such exchange being without charge.

Section 4.10. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of 2014 Bonds or 2018 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 2014 Bond or 2018 Bond or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the 2014 Bonds or 2018 Bonds are to be surrendered for payment, and, if less than all the Outstanding 2014 Bonds or Outstanding 2018 Bonds are to be redeemed, and subject to Section 4.8 (with respect to the 2014 Bonds) or Section 4.9 (with respect to the 2018 Bonds) hereof, an identification of the 2014 Bonds or 2018 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 2014 Bond or 2018 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 4.4 or 4.6 (with respect to the 2014 Bonds) or Section 4.5 or 4.7 (with respect to the 2018 Bonds) 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 2014 Bonds or 2018 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 2014 Bonds or 2018 Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the 2014 Bonds or 2018 Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the 2014 Bonds or 2018 Bonds and the Trustee

shall give notice, in the manner in which the notice of redemption was given, that the 2014 Bonds or 2018 Bonds have not been redeemed.

Section 4.11. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the 2014 Bonds or 2018 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 2014 Bonds or 2018 Bonds being redeemed.

(b) Upon presentation and surrender of any 2014 Bond or 2018 Bond called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such 2014 Bond or 2018 Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.12. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.10 of this Indenture, the 2014 Bonds or 2018 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 principal amount plus accrued unpaid interest on such 2014 Bonds or 2018 Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such 2014 Bonds or 2018 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 Similarly Secured, 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 Similarly Secured, (i) shall be substantially in the form set forth (with respect to the 2014 Bonds) in Exhibit A to this Indenture, or (with respect to the 2018 Bonds) in Exhibit B to this Indenture, or (with respect to any Additional Bonds), in a Supplemental 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 Similarly Secured, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds Similarly Secured may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds Similarly Secured.

(c) The definitive Bonds Similarly Secured 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 Similarly Secured, as evidenced by their execution thereof.

(d) The Initial Bonds Similarly Secured 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 Similarly Secured. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured shall be of no significance or effect as regards the legality thereof and neither the City, the Trustee or the attorneys approving said Bonds Similarly Secured as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured.

Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bonds Similarly Secured 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) Confirmation of Funds. The following Funds were created and established under the terms of the 2014 Indenture and are hereby confirmed pursuant to the terms of this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund;
- (vii) Administrative Fund; and
- (viii) Reimbursement Fund.

(b) Creation of Accounts.

(i) The prior creation and establishment of the following Accounts under the Bond Fund are hereby confirmed:

- (A) Capitalized Interest Account; and

(B) Principal and Interest Account.

(ii) The prior creation and establishment of the following Accounts under the Reserve Fund are hereby confirmed:

(A) Reserve Account;

(B) Prepayment Reserve Account; and

(C) Delinquency Reserve Account.

(iii) The prior creation and establishment of the following Accounts under the Project Fund are hereby confirmed:

(A) Phase #1 Improvement Account;

(B) Phase #1 Major Improvement Account;

(C) Landowner Improvement Account; and

(D) Costs of Issuance Account.

(iv) The prior creation and establishment of the following Accounts under the Pledged Revenue Fund are hereby confirmed:

(A) Bond Pledged Revenue Account; and

(B) Landowner Reimbursement Pledged Revenue Account.

(v) The prior creation and establishment of the following Accounts under the Administrative Fund are hereby confirmed:

(A) Landowner Property Tax Account; and

(B) District Administration Account.

(c) Closure of Funds and Accounts.

(i) The Capitalized Interest Account, created and established pursuant to the 2014 Indenture under the Bond Fund, is hereby closed:

(ii) The Trustee shall transfer any funds remaining in the Landowner Improvement Account created and established pursuant to the 2014 Indenture to the Developer and, following such transfer, the Landowner Improvement Account shall be closed.

(iii) The Trustee shall transfer any funds remaining in the Landowner Property Tax Account created and established pursuant to the 2014 Indenture to the Developer and, following such transfer, the Landowner Property Tax Account shall be closed.

(iv) The Trustee shall transfer any funds remaining in the Reimbursement Fund that was created and established pursuant to the 2014 Indenture to the Developer and, after such transfer, the Landowner Property Tax Account shall be closed.

(d) Each Fund and Account previously created or confirmed within such Fund and not closed pursuant to the provisions hereof has been and 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 Similarly Secured.

(e) Interest earnings and profit on each respective Fund and Account established pursuant to the terms of the 2014 Indenture or confirmed 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 related to the 2014 Bonds.

(a) The proceeds from the sale of the 2014 Bonds were previously paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Capitalized Interest Account of the Bond Fund: \$687,093.75;
- (ii) to the Reserve Account of the Reserve Fund: \$749,781.26;
- (iii) to the Prepayment Reserve Account of the Reserve Fund: \$17,500.00;
- (iv) to the Delinquency Reserve Account of the Reserve Fund: \$26,250.00;
- (v) to the Costs of Issuance Account of the Project Fund: \$507,000.00;
- (vi) to the Phase #1 Improvement Account of the Project Fund: \$3,446,077.00; and
- (vii) to the Phase #1 Major Improvement Account of the Project Fund: \$3,068,797.99.

(b) Funds received from the Developer or other sources on the Closing Date of the 2014 Bonds pursuant to the terms of the Phase #1 Reimbursement Agreement in the amount of \$2,500,251.00 have been deposited into the Landowner Improvement Account of the Project Fund.

(c) Funds received from the Developer in the amount of \$542,012.01 on the Closing Date of the 2014 Bonds have been deposited by the Trustee as follows:

- (i) \$271,006.00 to the Phase #1 Improvement Account of the Project Fund;
and
- (ii) \$271,006.01 to the Phase #1 Major Improvement Account of the Project Fund.

(d) Funds received from the Developer on the Closing Date of the 2014 Bonds in the amount of the lesser of either (1) \$10,000 or (2) two times the amount of the property tax

on the Property that is classified as agricultural in the current tax year shall be deposited to the Landowner Property Tax Account of the Administrative Fund.

Section 6.3. Initial Deposits to Funds and Accounts related to the 2018 Bonds.

(a) The proceeds from the sale of the 2018 Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

(i) to the Developer in full satisfaction of the Developer's interest under the Phase #1 Reimbursement Agreement: _____;

(ii) to the Reserve Account of the Reserve Fund: \$_____;

(iii) to the Costs of Issuance Account of the Project Fund: \$_____;

Section 6.4. Pledged Revenue Fund.

(a) On or about February 20 of each year while the Bonds Similarly Secured are Outstanding and beginning, with respect to the 2014 Bonds, in the year 2015, and with respect to the 2018 Bonds, in year 2019, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Assessment Revenues 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 Similarly Secured 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, (iii) third, to pay other costs of the Phase #1 Improvements, and (iv) fourth, to pay other costs permitted by the PID Act.

(b) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

(c) Reserved.

(d) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.8 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, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

(e) 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.

(f) 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.

(g) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the City may direct the Trustee by City Order to apply Phase #1 Assessments for any lawful purposes permitted by the Act for which Phase #1 Assessments may be paid.

(h) Any Phase #1 Assessments remaining after satisfying the foregoing payments may be used for any lawful purpose for which Phase #1 Assessments may be used under the PID Act.

Section 6.5. 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 interest then due and payable on the Bonds Similarly Secured.

(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. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

Section 6.6. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 (with respect to the 2014 Bonds) or Section 3.2 (with respect to the 2018 Bonds) hereof.

(b) Reserved.

(c) Any funds received at or before the respective Closing Dates pursuant to the Phase #1 Reimbursement Agreement have been or shall be applied as provided therein. Such provisions and procedures are herein incorporated by reference and deemed set forth herein in full.

(d) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the related series of Bonds Similarly Secured pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The disbursement of funds from the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Construction Funding Agreement. Such provisions and procedures related to such disbursement contained in the Construction Funding Agreement, and no other provisions of the Construction Funding Agreement, are herein incorporated by reference and deemed set forth herein in full.

(e) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Phase #1 Improvement Account of the Project Fund or the Phase #1 Major Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Phase #1 Improvements or Major Improvement Projects, as the case may be, such that, in the opinion of

the City Representative, it is unlikely that the amounts in the Phase #1 Improvement Account of the Project Fund or the Phase #1 Major Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Phase #1 Improvement Account of the Project Fund or the Phase #1 Major Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Phase #1 Improvement Account of the Project Fund or the Phase #1 Major Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

(f) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(g) Upon the filing of a City Certificate stating that all Phase #1 Improvements have been completed and that all Actual Costs of the Phase #1 Improvements have been paid, or that any such Actual Costs are not required to be paid from the Phase #1 Improvement Account of the Project Fund or the Phase #1 Major Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Project Fund to the Bond Fund and (ii) the Project Fund shall be closed.

(h) Not later than six months following each respective Closing Date, upon a determination by the City Representative that all costs of issuance of the Bonds Similarly Secured 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 or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds Similarly Secured, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.7. 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 Similarly Secured as provided in Sections 4.4 and 4.6 (with respect to the 2014 Bonds) or Section 4.5 and 4.7 (with respect to the 2018 Bonds) on the dates specified for redemption as provided in such sections. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds Similarly Secured as provided in Article IV of the Indenture.

Section 6.8. Reserve Fund.

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate, and when accumulated maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement. 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. The Trustee has transferred and will continue to transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Prepayment Reserve Account on March 1 and September 1 of each year, commencing March 1, 2015, an amount equal to .20% of the interest rate component of the Annual Installments in the Prepayment Reserve

Account. Once the Prepayment Reserve Requirement has accumulated in the Prepayment Reserve Account, all amounts in excess of the Prepayment Reserve Requirement shall be transferred by the Trustee first to the Delinquency Reserve Account in the event such account contains less than the Delinquency Reserve Requirement, or, if the Delinquency Reserve Account contains the Delinquency Reserve Requirement then to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV of the Indenture. The Trustee has also previously deposited and shall continue to deposit from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency Reserve Account on March 1 and September 1, commencing March 1, 2015, an amount equal to .30% of the interest rate component of the Annual Installments. Once the Delinquency Reserve Requirement has been accumulated in the Delinquency Reserve Account, any amounts in excess of the Delinquency Reserve Requirement in the Delinquency Reserve Account shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV.

(b) 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 Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to Section 4.6 (with respect to the 2014 Bonds) or Section 4.7 (with respect to the 2018 Bonds), a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds Similarly Secured redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(d) 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 interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.5 hereof, unless within thirty days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.9 hereof, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds Similarly Secured, or (iii) to the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Prepayment Reserve Account exceeds the Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of

the amount of the excess. The amount of such excess on deposit in the Prepayment Reserve Account shall then be transferred by the Trustee first to the Delinquency Reserve Account in the event such account contains less than the Delinquency Reserve Requirement, or, if the Delinquency Reserve Account contains the Delinquency Reserve Requirement, then to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV.

(f) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency Reserve Account exceeds the Delinquency Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess. The amount of such excess on deposit in the Delinquency Reserve Account shall then be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV.

(g) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first, from the Delinquency Reserve Account of the Reserve Fund, second, from the Reserve Account of the Reserve Fund and third, from the Prepayment Reserve Account to the Bond Fund the amounts necessary to cure such deficiency. The Trustee shall determine the value of cash and investments on deposit in the Delinquency Reserve Account as of September 30 of each year.

(h) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account, the Prepayment Reserve Account, and the Delinquency Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds Similarly Secured.

(i) If, after a Reserve Fund withdrawal, 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 6.4.

(j) 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 Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds Similarly Secured as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured as of such Interest Payment Date.

Section 6.9. Rebate Fund: Rebate Amount.

(a) Under the terms of the 2014 Indenture and as confirmed by this Indenture, the City has created a special fund of the City designated "City of Celina, Texas, Rebate Fund" (the "Rebate Fund") that is being 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 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 respective 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 (including

investment of amounts in the Rebate Fund) 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 Order, to transfer the amount in excess of the Rebate Amount to the Bond Fund.

Section 6.10. Administrative Fund.

(a) The City has heretofore deposited and shall deposit or cause to be deposited to 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 by the 2014 Indenture or confirmed and administered hereunder and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan.

Section 6.11. Investment of Funds.

(a) Money in any Fund established or confirmed pursuant to the 2014 Indenture and this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. 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 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 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 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 6.12. Security of Funds.

All Funds 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 shall be used only for the purposes and in the manner permitted or required by the Indenture.

Section 6.13. Reserved.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Phase #1 Assessments.

The City hereby confirms, covenants, and agrees that, in the Phase #1 Assessment Ordinance, it has levied the Phase #1 Assessments against the respective Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Phase #1 Assessments.

(a) For so long as any Bonds Similarly Secured are Outstanding and amounts are due the Developer to reimburse the Developer for funds it has contributed to pay Actual Costs of the Phase #1 Improvements, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Phase #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Phase #1 Assessments.

(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 Phase #1 Assessment or the corresponding Assessed Parcel.

Section 7.3. Against Encumbrances.

(a) 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 the Indenture, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds Similarly Secured secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds Similarly Secured or Outstanding Bonds Similarly Secured or any interest thereon remain outstanding and unpaid, and the obligation to the Developer to reimburse it for funds it has contributed to pay Actual Costs of the Phase #1 Improvements remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Phase #1 Assessments. The Trustee and holder or holders of any Bonds Similarly Secured 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 Similarly Secured 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 each series of Bonds Similarly Secured 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 each series of the Bonds Similarly Secured.

“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 Similarly Secured are invested and which is not acquired to carry out the governmental purposes of the Bonds Similarly Secured.

“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 Similarly Secured. 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) Bonds, as it pertains to a particular series of Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured, 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 each series of Bonds Similarly Secured:

(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 Similarly Secured of such series, 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 Similarly Secured of such series 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 any Bonds Similarly Secured 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 Phase #1 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 each series of the Bonds Similarly Secured are delivered and will ensure that the Phase #1 Assessments continue to meet such requirements for so long as Bonds Similarly Secured 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 any series of Bonds Similarly Secured 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 such series of Bonds Similarly Secured.

(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 Similarly Secured 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 Similarly Secured is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds Similarly Secured 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 each series of the Bonds Similarly Secured until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds Similarly Secured by the Purchaser 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 Order, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Order 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 any series of the Bonds Similarly Secured 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 Similarly Secured, 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 Similarly Secured not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, 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 Similarly Secured, 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 Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured 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 Similarly Secured, 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 Similarly Secured, the Phase #1 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 Similarly Secured (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 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 Similarly Secured 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 Paying Agent/Registrar

The Trustee is hereby designated and agrees to act as Registrar and Paying Agent for and in respect to the Bonds Similarly Secured.

Section 9.2. Trustee Entitled to Indemnity

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction 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 be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds Similarly Secured 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 this Indenture or the Bonds Similarly Secured 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 Similarly Secured 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 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. 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 Phase #1 Improvements.

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. Rights of the Trustee.

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 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 hereunder prior to any Bonds Similarly Secured Outstanding. 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 under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder.

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 Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured 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 Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured 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 Bonds Similarly Secured. 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 outstanding principal of the Bonds Similarly Secured 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 aggregate outstanding principal of the Bonds Similarly Secured.

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 Similarly Secured 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 Similarly Secured, 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 Similarly Secured 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 Similarly Secured.

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 Similarly Secured 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 Similarly Secured, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Owners of the Bonds Similarly Secured.

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. 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 confirmed 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 Similarly Secured 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 Similarly Secured.

ARTICLE X

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 10.1. Amendments Permitted.

This Indenture and the rights and obligations of the City and of the Owners of the Bonds Similarly Secured 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 Similarly Secured, 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 Similarly Secured then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured 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 Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, 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 Similarly Secured (except as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured; and

(iv) 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 Similarly Secured.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds Similarly Secured. 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured at the expiration of ninety (90) 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 and all Owners of Outstanding Bonds Similarly Secured 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 Similarly Secured 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 Outstanding Bonds Similarly Secured at such effective date and presentation of his Bond Similarly Secured 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 Similarly Secured. The City may determine that new Bonds Similarly Secured, 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 Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

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 Similarly Secured held by such Owner, provided that due notation thereof is made on such Bonds Similarly Secured.

Section 10.7. Waiver of Default

With the written consent of at least fifty-one percent (51%) in aggregate principal amount of the Bonds Similarly Secured then Outstanding, the Owners may waive compliance by the City with certain past defaults under this 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 Phase #1 Assessments including the prosecution of foreclosure proceedings; and

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate outstanding principal of the Bonds Similarly Secured with a copy to the Trustee, specifying such default by the Owners of at least 25% of the Bonds Similarly Secured at the time Outstanding requesting that the failure be remedied.

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 Owners of at least 25% of the Bonds Similarly Secured then Outstanding, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under 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 SIMILARLY SECURED 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 Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(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 25% of the aggregate principal amount of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in 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 Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice 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 Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of 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 Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

(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 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 Similarly Secured, as follows:

FIRST: To the payment to the registered owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the registered owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the registered owners entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the registered owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners 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 Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of 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.

(a) 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured shall bind all future Owners of the same Bond Similarly Secured 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 Similarly Secured.

Bonds Similarly Secured 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 Similarly Secured provided for in this Indenture, and the City shall not be entitled with respect to such Bonds Similarly Secured 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 Pledged Revenues.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, to execute and deliver this Indenture and to pledge the Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues 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 in this Indenture.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Pledged Revenues 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 Phase #1 Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the 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. Books of Record - Accounts.

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 pursuant to the terms of the 2014 Indenture or confirmed 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 Similarly Secured 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 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. Other Obligations or Other Liens; Additional Bonds.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue 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) 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 Pledged Revenues or Pledged Funds; 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 Similarly Secured.

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 Similarly Secured.

(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 Similarly Secured which are 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 Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured 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 Similarly Secured, 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 Similarly Secured 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 Similarly Secured Deemed Paid.

All Outstanding Bonds Similarly Secured of any series 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 series of Bonds Similarly Secured 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 such series of Bonds Similarly Secured to become due on such series of Bonds Similarly Secured 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 series of Bonds Similarly Secured to become due on such series of Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the series of Bonds Similarly Secured 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 such series Bonds Similarly Secured. 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 Similarly Secured. 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 series of Bonds Similarly Secured 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 Similarly Secured 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 series of Bond Similarly Secured shall bind all future Owners of such series of Bond Similarly Secured 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 Similarly Secured; 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 Order, 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 Celina, Texas 75009 Attn: Director of Finance
-----------------	---

If to the Trustee or the Paying Agent/Registrar:	U.S. Bank National Association 13737 Noel Road, Suite 800, Dallas, TX 75240 Attn: Corporate Trust Services
---	---

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 Similarly Secured notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Similarly Secured 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 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 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 Similarly Secured 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 any series of the Bonds Similarly Secured or the date fixed for redemption of any Bonds

Similarly Secured of such series 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.

As required by Chapter 2270 of the Texas Government Code, the Trustee hereby verifies that the Trustee (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Trustee) does not boycott Israel and will not boycott Israel through the term of this Indenture. For purposes of this 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 an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Section 15.11. Iran, Sudan, and Foreign Terrorist Organizations.

To the extent this Indenture is a governmental contract, within the meaning of Section 2252.151 of the Texas Government Code, as amended, the Trustee hereby acknowledges that the Trustee (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Trustee) is not listed by the Texas Comptroller as described in Section 2252.152 of the Texas Government Code.

[remainder of page left blank intentionally]

EXHIBIT A(a) Form of 2014 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 2014
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #1 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 Pledged Revenues, 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 September 1, 2014, 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 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 June 1, 2014 and issued in the aggregate principal amount of \$8,750,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of June 1, 2014 (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 Costs of the Phase #1 Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #1 Projects, (ii) funding a reserve fund for payment of principal and interest on 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 Pledged Revenues 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 \$5,000 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 principal amounts as set forth in the following schedule:

Term Bonds Maturing September 1, 2028

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2016	\$ 150,000	September 1, 2023	\$ 225,000
September 1, 2017	150,000	September 1, 2024	250,000
September 1, 2018	175,000	September 1, 2025	250,000
September 1, 2019	175,000	September 1, 2026	275,000
September 1, 2020	200,000	September 1, 2027	300,000
September 1, 2021	200,000	September 1, 2028 (maturity)	325,000
September 1, 2022	225,000		

Term Bonds Maturing September 1, 2032

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2029	\$ 325,000
September 1, 2030	350,000
September 1, 2031	375,000
September 1, 2032 (maturity)	400,000

Term Bonds Maturing September 1, 2040

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2033	\$ 425,000
September 1, 2034	450,000
September 1, 2035	500,000
September 1, 2036	525,000
September 1, 2037	550,000
September 1, 2038	600,000
September 1, 2039	650,000
September 1, 2040 (maturity)	700,000

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, 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 Section 4.10 of 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 City reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, on any Interest Payment Date on or after September 1, 2022, such redemption date or dates to be fixed by the City, at the Redemption Prices shown below, plus accrued interest to the date of redemption.

<u>Redemption Date</u>	<u>Redemption Price</u>
On or after September 1, 2022	103%
On or after September 1, 2023	102%
On or after September 1, 2024	101%
On or after September 1, 2025	100%

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 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 first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or 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.

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.

The City has reserved the right to issue Additional Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF CELINA, TEXAS, COLLIN COUNTY, TEXAS, DENTON 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 specified above" 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 3.3(c) hereof); and

(iii) the Initial Bond shall be numbered T-1.

EXHIBIT B(a) Form of 2018 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
No. _____

REGISTERED
\$ _____

United States of America
State of Texas

CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #1B PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____ %	_____	_____	_____

The City of Celina, Texas (the "City"), for value received, hereby promises to pay, solely from the Pledged Revenues, 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, 2019, 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 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, 2018 and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Amended and Restated Indenture of Trust, dated as of September 1, 2018 (collectively, 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 or refinancing a portion of the Actual Costs of the Phase #1 Improvements, (ii) funding a portion of a reserve fund for the Bonds, and (iii) paying the costs of issuing the Bonds.

The Bonds are limited obligations of the City payable solely from the Pledged Revenues 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 \$5,000 in excess thereof.

The Bonds are subject to mandatory 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 principal amounts as set forth in the following schedule:

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
------------------------	-------------------------	------------------------	-------------------------

* Stated Maturity

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Bonds of such maturity equal to the principal 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 4.10 of the Indenture.

The principal amount of Bonds 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 (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 mandatory sinking fund redemption.

The City reserves the right and option to redeem Bonds 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 the price of 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 any date, 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.

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.

The City has reserved the right to issue Additional Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF CELINA, TEXAS, COLLIN COUNTY, TEXAS, DENTON 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.

The following Certificate of Trustee shall appear on the definitive Bonds:

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>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
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(Information to be inserted from Section 3.4(c) hereof); and

(iii) the Initial Current Interest Bond shall be numbered T-1

SECTION 2: 2014 Indenture. Except as hereby amended and restated, all of the provisions of the 2014 Indenture are hereby ratified and confirmed.

IN WITNESS WHEREOF, the City and the Trustee have caused this Amended and Restated Indenture of Trust to be executed all as of the date hereof.

CITY OF CELINA, TEXAS

By: _____,
CHAD ANDERSON, Mayor Pro Tem

Attest:

VICKI FAULKNER, City Secretary

[CITY SEAL]

Approved as to Form:

LANCE VANZANT, City Attorney

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT B
BOND PURCHASE AGREEMENT

Attachment: Celina - Creeks of Legacy PID Phase 1B 2018 - Bond Ordinance - MASTER (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

\$3,750,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #1B PROJECT)

BOND PURCHASE AGREEMENT

August 14, 2018

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 \$3,750,000 aggregate principal amount of the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B 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 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 Phase #1 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, 2018 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 6, 2018 (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 August 14, 2018 (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 Amended and Restated Indenture of Trust, dated as of September 1, 2018, 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 Phase #1 of the Creeks of Legacy Public Improvement District (the “District”). The District was established by a resolution enacted by the City Council on April 29, 2014 (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 Phase #1 Improvements and the method of payment of the Assessments was adopted pursuant to an ordinance of the City Council adopted on June 18, 2014 (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) financing the costs of the Phase

#1 Improvements (as defined in the Indenture) that will benefit the District, (ii) funding a reserve fund for the payment of principal of and interest on the Bonds, and (iii) 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 Closing, 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 August 7, 2018 (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 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, Status of Development and Plan of Finance," "BOOK-ENTRY ONLY SYSTEM," "THE PHASE #1 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Phase #1 Improvements and the Development), "THE ASSESSMENT CONSULTANT AND ADMINISTRATOR," and "LEGAL MATTERS — Litigation — The Developer," and "INFORMATION RELATING TO THE TRUSTEE." If such notification shall be subsequent to the Closing, 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 “Creeks of Legacy Development Agreement”, effective June 11, 2014, executed and delivered by the City and the Developer (the “Development Agreement”);

(4) the “Creeks of Legacy Public Improvement District Phase #1 Improvements Construction, Funding and Acquisition Agreement”, effective June 18, 2014, and executed and delivered by the City and the Developer (the “CFA Agreement”);

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of September 1, 2018 (the “City Continuing

Disclosure Agreement”), executed and delivered by the City and U.S. Bank National Association, as Dissemination Agent; and

(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 Development Agreement, (4) the CFA Agreement, (5) the City Continuing Disclosure Agreement, (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 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 (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, Status of Development and Plan of Finance,” “BOOK-ENTRY ONLY SYSTEM,” “THE PHASE #1 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS' RISKS” (only as it pertains to the Developer, the Phase #1 Improvements and the Development), “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR,” “LEGAL MATTERS — Litigation — The Developer,” and 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, Status of Development and Plan of Finance,” “BOOK-ENTRY ONLY SYSTEM,” “THE PHASE #1 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS' RISKS” (only as it pertains to the Developer, the Phase #1 Improvements and the Development), “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR,” “LEGAL MATTERS — Litigation — The Developer,” 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 FirstSouthwest, a Division of 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. Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from 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 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 Developer as, in the opinion of Miklos Cinclair, PLLC (“Developer’s Counsel”), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in the Developer Letter of Representations (the Development Agreement, the CFA Agreement and the Developer Letter of Representations together, 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 Phase #1 Improvements and the Development, 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 such Developer to pay the Assessments when due.

(d) Concurrent Closing of the Phase #2 Bonds. The City shall issue concurrently with the issuance of the Bonds its “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 Project).”

(e) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 9 below.

(f) 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 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 United States Securities and Exchange Commission (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 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 Developer's Counsel. An opinion of Developer's 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) Developer Certificate. The certificate of the Developer dated as of the Closing Date, signed by an authorized officer of Developer 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 the best of 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 persons, 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 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 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 Developer Documents. The City Documents and Developer 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 Agreement. The City Continuing Disclosure Agreement shall have been executed by the parties thereto in substantially the form attached to the Preliminary Limited Offering Memorandum as Appendix D.

(o) Letter of Representation of Assessment Consultant and PID Administrator. Letter of Representation of the Assessment Consultant and PID Administrator, 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.

(p) Evidence of Filing of Creation Resolution and Assessment Ordinance. Evidence that (i) the Creation Resolution, including legal description of the District by metes and bounds and (ii) the Assessment Ordinance, including the Assessment Roll for Phase #1 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 have been filed of record in the real property records of Collin County, Texas.

(q) Evidence of Ownership of Property. Evidence that on the date that the Assessment Ordinance was adopted all of the Assessed Property in Phase #1 of the

District was owned by the Developer or other development entities and that such landowners are not entities that may claim a homestead right under Texas law.

(r) Rule 15c2-12 Certification. A resolution or 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 Rule 15c2-12 in connection with the offering of the Bonds.

(s) 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 by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

(t) BLOR. A copy of the Blanket Letter of Representation to DTC relating to the Bonds and signed by the City.

(u) 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, Developer's 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 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., 100 Crescent Court, Suite 700, Dallas, Texas 76227, 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 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. No Boycott of Israel. The Underwriter hereby represents that it does not "Boycott Israel" (as such term is defined in Section 808.001, Texas Government Code, as amended) and, subject to or as otherwise required by applicable Federal law, including, without limitation, 50 U.S.C. Section 4607, hereby agrees not to Boycott Israel during the term of this Agreement, which for the purposes of this Section shall mean the end of the underwriting period unless this Agreement is terminated in accordance with the provisions hereof.

24. No Terrorist Organization. The Underwriter represents that, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, the Underwriter, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Underwriter is a company listed by the Texas Comptroller of Public

Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code on the following website: <https://comptroller.texas.gov/purchasing/publications/divestment.php>.

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

Accepted at _____ a.m./p.m. central time on the
date first stated above.

CITY OF CELINA, TEXAS

By: _____
Mayor Pro Tem

SCHEDULE I

\$3,750,000
CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #1B PROJECT)

Interest Accrues From: Date of Delivery

\$3,750,000 ____% 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 “hold-the-offering-price rule”, 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 Interest Payment 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.

\$3,750,000 Term Bonds Maturing September 1, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 2021	
September 1, 2022	
September 1, 2023	
September 1, 2024	
September 1, 2025	
September 1, 2026	
September 1, 2027	
September 1, 2028	
September 1, 2029	
September 1, 2030	
September 1, 2031	
September 1, 2032	
September 1, 2033	
September 1, 2034	
September 1, 2035	
September 1, 2036	
September 1, 2037	
September 1, 2038	
September 1, 2039	
September 1, 2040	
September 1, 2041	
September 1, 2042	
September 1, 2043	

September 1, 2044
September 1, 2045
September 1, 2046
September 1, 2047
September 1, 2048

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

\$3,750,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT Phase #1B Project)

DEVELOPER LETTER OF REPRESENTATIONS

August 7, 2018

City of Celina, Texas
 142 N. Ohio Street
 Celina, Texas 76201

FMSbonds, Inc.
 100 Crescent Court, Suite 700
 Dallas, Texas 76227

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 \$3,750,000 “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B 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, CTMGT Frontier 80, LLC, a Texas limited liability company (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 (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 Developer, the Phase #1 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. Developer Documents. 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 Developer, enforceable against Developer in accordance with its terms:

- (a) this Developer Letter of Representation;
- (b) that certain Creeks of Legacy Development Agreement, effective June 11, 2014, executed and delivered by the City and the Developer; and
- (c) that certain Creeks of Legacy Public Improvement District Phase #1 Improvements Construction, Funding and Acquisition Agreement, effective June 18, 2014, and executed and delivered by the City and the Developer.

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. The 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 the Developer provided by the 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 Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which Developer is 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 Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of 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 Development in accordance with the description thereof in the Preliminary 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. The Developer represents and warrants that the information set forth in the Preliminary Limited Offering Memorandum under the captions “PLAN OF FINANCE — Development Plan, Status of Development and Plan of Finance,” “THE PHASE #1 IMPROVEMENTS” “THE DEVELOPMENT,” and “THE DEVELOPER” and, to the best of the Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phase #1 Improvements and the Development, as defined in the Limited Offering Memorandum) and “LEGAL MATTERS — Litigation — The Developer” 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 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 Developer is a party described in the Preliminary Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Phase #1

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 Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “PLAN OF FINANCE — Development Plan, Status of Development and Plan of Finance,” “THE PHASE #1 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phase #1 Improvements, and the Development), and “LEGAL MATTERS — Litigation ,” 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 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.

DEVELOPER:

CTMGT FRONTIER 80, LLC,
a Texas limited liability company

By: Centamar Terras, LLC,
a Texas limited liability company
Its Manager

By: CTMGT, LLC,
a Texas limited liability company
Its Manager and Member

By: _____
Name: Mehrdad Moayed
Its: Manager and Member

APPENDIX B

\$3,750,000

CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #1B 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 distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail 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, 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 August 14, 2018.

(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 _____, 2018.

FMSbonds, Inc.

By: _____

Name: _____

Title: _____

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: Celina - Creeks of Legacy PID Phase 1B 2018 - Bond Ordinance - MASTER (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

APPENDIX C

[LETTERHEAD OF MESSER, ROCKEFELLER & FORT]

September 6, 2018

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

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

\$3,750,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #1B PROJECT)

Ladies and Gentlemen:

We are the Attorney for the City of Celina, Texas (the “City”) for limited purposes, and are rendering this opinion in connection with the issuance and sale of \$3,750,000 “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B 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 August 14, 2018 (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 Amended and Restated Indenture of Trust dated as of September 1, 2018 (the “Indenture”) by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed the:

(a) The Resolution No. _____ (the “Creation Resolution”), enacted by the City Council on April 28, 2014.

(b) The Ordinance No. _____, adopted by the City Council on June 18, 2014 (the “Assessment Ordinance”).

- (c) The Bond Ordinance.
- (d) The Indenture.
- (e) That certain Creeks of Legacy Development Agreement, effective as of June 11, 2014 (the “Development Agreement”).
- (f) That certain Continuing Disclosure Agreement of Issuer, dated as of September 1, 2018, executed and delivered by the City. and U.S. Bank National Association (the “Dissemination Agent”).

The Creation Resolution, the Assessment Ordinance and Bond Ordinance shall herein after be referred to as the “Authorizing Documents” and the remaining documents shall herein after be collectively referred to as the “City Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the City Documents by all parties other than the City.

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 Authorizing Documents and the City 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 City 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 Phase #1 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 City 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 City 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 City 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, and (c) the application of Texas 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 City Documents will not violate any provision of any Federal or Texas 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 City Documents.

7. The City has duly authorized, executed and delivered the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

8. The adoption of the Authorizing Documents and the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City 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.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

MESSER, ROCKEFELLER & FORT
 ATTORNEY FOR THE CITY

cc:
 City of Celina
 Attn: City Manager
 142 N. Ohio Street
 Celina, Texas 76201

APPENDIX D

[LETTERHEAD OF MIKLOS CINCLAIR]

September 6, 2018

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

U.S. Bank National Association
Attention: Bond Operations
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402

Messer, Rockefeller & Fort
63351 Preston Rd., Suite 350
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

\$3,750,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #1B
PROJECT)

Ladies & Gentlemen:

We have acted as special counsel to CTMGT Frontier 80, LLC, a Texas limited liability company (the “*Developer*”) in connection with the issuance and sale by the City of Celina, Texas (the “*City*”), of \$3,750,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B Project) (the “*Bonds*”), pursuant to the Amended and Restated Indenture of Trust dated as of September 1, 2018 (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 “Creeks of Legacy” (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 August 14, 2018 (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 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 (collectively, the “*Material Documents*”):

(1) the *Creeks of Legacy Development Agreement*, effective as of June 11, 2014, between the City and the Developer;

(2) *Creeks of Legacy Public Improvement District Phase #1 Improvements Construction, Funding and Acquisition Agreement*, effective June 18, 2014, and executed and delivered by the City and the Developer;

(3) the *Developer Letter of Representations* dated as of August 7, 2018;

(b) General Certificate of the Developer and the Closing Certificate of the Developer, each dated as of the date hereof (together, the “*Developer Certificate*”);

(c) The Preliminary Limited Offering Memorandum, dated August 7, 2018 relating to the issuance of the Bonds (the “*Preliminary Limited Offering Memorandum*”);

(d) The final Limited Offering Memorandum, dated August 14, 2018, 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 Developer 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 Developer 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 Developer), 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 Developer 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 Developer 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 City 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 Developer) 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 Developer) has full City 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 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; or (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Developer, the conflict with which or breach of which would

have a material, adverse effect on the ability of the Developer to perform its obligations under the Material Documents to which it is a party.

2. To our knowledge, no governmental approval 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 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).

3. The Developer 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 Developer, enforceable against the Developer 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 Developer of its obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Developer.

4. To our knowledge after reasonable inquiry, there are no actions, suits or proceedings pending or threatened against the Developer identified in the Developer 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 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.

6. The information set forth in the Limited Offering Memorandum under the captions “*PLAN OF FINANCE — Development Plan, Status of Development and Plan of Finance*,” “*THE PHASE #1 IMPROVEMENTS*,” “*THE DEVELOPMENT*,” “*THE DEVELOPER*,” “*BONDHOLDERS’ RISKS*” (only as it pertains to the Developer, the Phase #1 Improvements, and the Development, as defined in the Limited Offering Memorandum),” and “*LEGAL MATTERS — Litigation — The Developer*,” 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 Developer 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 Developer Certificates, as well as the representations of the Developer 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 Developer is a party or by which the Developer is 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,

APPENDIX E

CLOSING CERTIFICATE OF DEVELOPER

CTMGT Frontier 80, LLC, a Texas limited liability company (“Developer”), DOES 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. Developer is a limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of 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 \$3,750,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B Project) (the “Bonds”), pursuant to the City’s Preliminary Limited Offering Memorandum, dated August 7, 2018 and Limited Offering Memorandum dated August 14, 2018 (together, the “Limited Offering Memorandum”).

3. 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 and are in full force and effect as of the date hereof.

4. The Developer has 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 Developer.

5. 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 Developer, enforceable against Developer in accordance with its terms:

(a) that certain Developer Letter of Representation dated August 7, 2018;

(b) that certain Creeks of Legacy Development Agreement, effective June 11, 2014, executed and delivered by the City and the Developer;

(c) that certain Creeks of Legacy Public Improvement District Phase #1 Improvements Construction, Funding and Acquisition Agreement, effective June 18, 2014, and executed and delivered by the City and the Developer.

6. 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.

7. The execution and delivery of the Developer Documents by Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which Developer is a party. To the Developer's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of 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 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, Status of Development and Plan of Finance," "THE PHASE #1 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Phase #1 Improvements, and the Development), and "LEGAL MATTERS — Litigation — The Developer," 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 Developer and the portion of the Development owned by such 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 Limited Offering Memorandum.

9. Developer is 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 Developer or any portion of the Development that would materially and adversely affect Developer's 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. 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.

11. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in Phase #1 of the District owned by Developer will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which Developer is a party or to which Developer or any of its property or assets is subject.

12. 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 development of the Development.

13. Developer has no knowledge of any physical condition of the Development owned or to be developed by 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.

Dated: _____, 2018

DEVELOPER:

CTMGT FRONTIER 80, LLC,
a Texas limited liability company

By: Centamar Terras, LLC,
a Texas limited liability company
Its Manager

By: CTMGT, LLC,
a Texas limited liability company
Its Manager and Member

By: _____
Name: Mehrdad Moayed
Its: Manager and Member

APPENDIX F

[LETTERHEAD OF ASSESSMENT CONSULTANT AND ADMINISTRATOR]

September 6, 2018

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

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 2018 (Creeks of Legacy Public Improvement District Phase #1B 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 Creeks of Legacy 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 August 7, 2018 (the “Preliminary Limited Offering Memorandum”), and the final Limited Offering Memorandum, dated on or about August 14, 2018 (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,” THE ASSESSMENT CONSULTANT AND ADMINISTRATOR – Assessment Consultant,” “ASSESSMENT DATA AND ASSESSD VALUATION” and “OVERLAPPING TAXES AND DEBT – Effective Bonded Indebtedness of Phase #1 of the District” (including Table 3 and Table 4 therein) and (c) 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 6, 2018) 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: _____

EXHIBIT C
CONTINUING DISCLOSURE AGREEMENT

Attachment: Celina - Creeks of Legacy PID Phase 1B 2018 - Bond Ordinance - MASTER (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #1B PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement dated as of September 1, 2018 (this “Disclosure Agreement”) is executed and delivered by and between the City of Celina, Texas (the “Issuer”) and U.S. Bank National Association (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B 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 (as hereinafter defined) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB or the SEC, 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 Amended and Restated Indenture of Trust dated as of September 1, 2018, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Sections 4(b) through (g) of this Disclosure Agreement.

“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.

“Developer” shall mean CTMGT Frontier 80, LLC, a Texas limited liability company, and its successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of September 1, 2018 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 the Trustee, 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 the Creeks of Legacy Public Improvement District.

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

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

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum relating to the Bonds dated as of August 14, 2018.

“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 reports pursuant to the Rule.

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

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

“Phase #1” shall mean the first phase of the development within the District.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission 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.

“Tax-exempt” shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax liability.

“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, not later than six months after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending September 30, 2018, provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of Section 4 of this Disclosure Agreement. 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; *provided* that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately

from the balance of 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. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d). All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

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

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

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

(ii) The amounts in the funds and accounts securing the Bonds.

(c) Updates to the information in the Service and Assessment Plan ("SAP") as most recently amended or supplemented, including any changes to the methodology for levying the Assessments in Phase #1.

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

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

(f) 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.

(g) Financial information and operating data with respect to the Issuer of the general type included in the final Limited Offering Memorandum, being information of the type under the headings “OVERLAPPING TAXES AND DEBT — Table 4 — TIRZ Collection and Credit Information in Phase #1 of the District,” and “ASSESSMENT DATA AND ASSESSED VALUATION — Table 5 — Collection and Delinquency History of Phase #1 of the District” therein; provided that the information of the type included under the subheading ASSESSMENT DATA AND ASSESSED VALUATION — Table 5 — Collection and Delinquency History in Assessments in Phase #1 of the District” shall be provided both as of the end of the Fiscal Year and through February 1 of the calendar year immediately succeeding such Fiscal Year.

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

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraph. The City has designated MuniCap, Inc. as the initial Administrator. The Administrator, and if no Administrator is designated, City 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.
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.

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.

Whenever the Issuer obtains knowledge of 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.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual audited financial statements or unaudited 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 (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 Participating Underwriter, 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, 10, 13, or 14 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 (d).

(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(d).

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 the Trustee.

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(d), 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 any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), 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 to 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 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 Assessments collected from the property owners in Phase #1 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 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.

SECTION 12. Assessment Timeline. 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 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 agree 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, 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 Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided by the Developer or from Assessments collected from the property owners in Phase #1 of the District, for its fees and expenses for the Dissemination Agent's services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. 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.

[remainder of page left blank intentionally]

CITY OF CELINA, TEXAS

By: _____
Mayor Pro-Tem

Attachment: Celina - Creeks of Legacy PID Phase 1B 2018 - Bond Ordinance - MASTER (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

01

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT (PHASE #1)

U.S. BANK NATIONAL ASSOCIATION
(as Dissemination Agent)

By: _____
Authorized Officer

Attachment: Celina - Creeks of Legacy PID Phase 1B 2018 - Bond Ordinance - MASTER (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

II

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT (PHASE #1)

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 2018
 (Creeks of Legacy Public Improvement District Phase #1B Project)
 Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Celina, Texas, has not provided an Annual Issuer Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated September 1, 2018, between the Issuer and U.S. Bank National Association, as dissemination agent. The Issuer anticipates that the Annual Issuer Report will be filed by _____.

Dated: _____

U.S. Bank National Association,
 on behalf of the City of Celina, Texas
 (as Dissemination Agent)

By: _____

Title: _____

cc: City of Celina, Texas

Attachment: Celina - Creeks of Legacy PID Phase 1B 2018 - Bond Ordinance - MASTER (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

EXHIBIT B

CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT PHASE #1 PROJECT)

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20____

TRUSTEE

Name: U.S. Bank National Association
 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

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

TIRZ COLLECTION AND CREDIT INFORMATION IN PHASE #1 OF THE DISTRICT

TIRZ CREDIT TO ASSESSMENTS IN PHASE #1 OF THE DISTRICT			
Tax Year	Total Tax Increment Collected and Applied as TIRZ Credit in Phase #1 the District	Total TIRZ Credit Per Equivalent Unit (\$)	Tax Equivalent Rate of TIRZ Credit Per Equivalent Unit (per \$100/Assessed Value)

COLLECTION AND DELINQUENCY HISTORY IN PHASE #1 OF THE DISTRICT

Fiscal Year Ending 9/30	Assessment Levied	Delinquent Amount as of 2/1 (following year)	Delinquent Percentage as of 2/1 (following year)	Delinquent Amount as of 9/1 (following year)	Delinquent Percentage as of 9/1 (following year)	Assessments Collected⁽²⁾

ADDITIONAL ITEMS REQUIRED BY SECTION 4(c) - (g)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF
DELINQUENCIES

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	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 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, the collection-foreclosure procedure will

March 1	29/30	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 or Fund for debt service. Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.
March 5	33/34	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 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 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	89/90	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	103/104	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	120/121	Foreclosure action to be filed with the court.
June 15	134/135	Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status. Dissemination Agent notifies bondholders.
July 1	150/151	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.

Draft

CREEKS OF LEGACY
PUBLIC IMPROVEMENT DISTRICT
SERVICE AND ASSESSMENT PLAN

JUNE 18, 2014
AS UPDATED FOR PHASE #2 ON MARCH 13, 2018 AND _____, 2018

MuniCap

v 3.1.1

CREEKS OF LEGACY PUBLIC IMPROVEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN

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List of Appendix

Appendix A	The PID Map
Appendix B	Estimated Costs of the Authorized Improvements
Appendix C	Diagrams of the Authorized Improvements
Appendix D	Lot Types and Equivalent Units
Appendix E	Allocation of Assessments
Appendix F	Phases #2–3 Major Improvement Assessment Roll
Appendix G	Phase #1 Assessment Roll
Appendix H	Phase #2 Assessment Roll

Section I PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On April 29, 2014 (the "Creation Date") the City Council of the City of Celina, Texas (the "City") passed and approved Resolution No. 2014-17R approving and authorizing the creation of the Creeks of Legacy Improvement District (the "PID") to finance the costs of certain public improvements for the benefit of property in the PID (the "Authorized Improvements"), all of which is located within the City of Celina.

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

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

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

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

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

B. Definitions

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

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a 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 Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (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. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

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

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and codes with respect to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual

principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

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

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

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

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

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

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

“Assessment Roll” means, as applicable, the Phases #2 – 3 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, the Phase #2 Assessment Roll, an Assessment Roll for any Future Phase of development or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

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

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

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

“Certification for Payment” means the certificate to be provided by the Developer, or his

designee, to substantiate the Actual Cost of one or more Authorized Improvements. “

“**City**” means the City of Celina, Texas.

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

“**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, CTMGT Frontier 80, LLC, a Texas limited liability company, CADG Creeks of Legacy West, L.L.C, a Texas limited liability company, and/or CADG Creeks of Legacy Stonegate, L.L.C, a Texas limited liability company.

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

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

“**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 homeowners’ association.

“**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 final average home value for each lot as of the date of the recorded subdivision plat, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

“**Lot type 1**” means lots identified as such on the Assessment Roll, being lots with approximately 7,700 square feet size and a lot width of 70 feet, which may be referred to as such in PD #46.

“**Lot type 2**” means lots identified as such on the Assessment Roll, being lots with approximately 6,600 square feet size and a lot width of 60 feet, which may be referred to as such in PD #46.

“**Lot type 3**” means lots identified as such on the Assessment Roll, being lots with approximately 5,500 square feet size and a lot width of 50 feet, which may be referred to as such in PD #46.

“Major Improvements” or “MI” mean the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

“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 at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI. F. 1.

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

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

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

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

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

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

“Phase #1 Bonds” mean collectively the Phase #1A Bonds and the Phase #1B Bonds issued or to be issued by the City to finance the Phase #1 Improvements.

“Phase #1 Improvements” mean (i) the pro rata portion of the Major Improvements allocable to Phase #1, and (ii) the Authorized Improvements which only benefit Phase #1 Assessed Property and are described in Section III.C.

“Phase #1A Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Improvement District Phase #1 Project)" that are secured primarily by Phase #1 Assessment Revenues.

“Phase #1B Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #1B Project)" that are issued to finance the remaining costs of the Phase #1B Improvements and that will be secured primarily by Phase #1 Assessment Revenues.

“Phase #2” means the second Phase to be developed, identified as Phases #2A, #2B, #2C and #2D and generally shown in Appendix A, as specifically described as the sum of all Parcels shown in Appendix H.

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

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

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

“Phase #2 Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Creeks of Legacy Public Improvement District Phase #2 Project)" that are secured primarily by Phase #2 Assessment Revenues.

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

“Phased PID Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Phase. In connection with the Phased PID Bonds, Assessments will be levied only on Parcels located within the Phase in question.

“Phases #2 – 3 Major Improvement Area” mean the property within the PID excluding Phase #1 which is to be developed subsequent to Phase #1 and generally depicted in Appendix A of this Service and Assessment Plan or any Annual Service Plan Update.

“Phases #2 - 3 Major Improvement Assessed Property” means, for any year, all Parcels within the PID other than (a) Non-Benefited Property, and (b) Parcels within Phase #1.

“Phases #2 - 3 Major Improvements” mean the pro rata portion of the Major Improvements allocable to Phases #2 - 3 as described in Section III.C.

“Phases #2 – 3 Major Improvement Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments levied against Phases #2 - 3 Major Improvement Assessed Property, or the Annual Installments thereof, for the Major Improvements.

“Phases #2 - 3 Major Improvement Assessment Roll” means the document included in this Service and Assessment Plan as Appendix F, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phases #2 – 3 Major Improvement Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Improvement District Phases #2 – 3 Major Improvement Project)" that are secured primarily by Phases #2 - 3 Major Improvement Assessment Revenues.

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

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

“PD #46” means Planned Development District, #46 passed and approved by the City pursuant to Ordinance No 2014-06 dated as of February 11, 2014.

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

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

“Reimbursement Agreement” means each reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Authorized Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Authorized Improvements funded by the Developer with interest as permitted by the Act.

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

“TIRZ No. 2” means the Tax Increment Reinvestment Zone No. 2, City of Celina, Texas.

“TIRZ Credit” means, for each Parcel, the prorated amount of TIRZ Revenues calculated pursuant to Section VI (B) of this Service and Assessment Plan.

“TIRZ Ordinance” means an ordinance adopted by the City Council authorizing the use of TIRZ Revenues for project costs under the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, relating to the Authorized Improvements as provided for in the Tax Increment Reinvestment Zone No. 2 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. 2 tax increment fund pursuant to the TIRZ Ordinance to reduce an Annual Installment, as calculated each year by the Administrator in collaboration with the City, in accordance with Section VI.B of

this Service and Assessment Plan.

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

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

Section II PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID is presently located within the City and contains approximately 322 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 1,021 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (1,021) and the classification of each lot are based upon the proposed development plan.

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

Table II-A
Proposed Development

Proposed Development Type	Quantity	Measurement
Single Family Residential – 70 Feet	183	units
Single Family Residential – 60 Feet	495	units
Single Family Residential – 50 Feet	343	units
Total	1,021	units

B. Property Included in Phase #1, Phase #2 and Phases #2 – 3 Major Improvement Area

Phase #1 consists of approximately 120 acres and is projected to consist of 427 single family residential units, to be developed as Phase #1, as further described in Section III. Phase #2 consists of approximately 106 acres and is projected to consist of 403 single family residential units, to be developed as Phase #2. Phases # 2 - 3 Major Improvement Area consist of approximately 202 acres (including the 106 acres in Phase #2) and are projected to consist of approximately 594 residential units (including the 402 residential units planned in Phase #2). A map of the property within Phase #1, Phase #2 and Phases #2 – 3 Major Improvement Area and depicting the boundaries of each proposed Phase is shown in Appendix A.

C. Property Included in Future Phases

As Phases are developed, it is anticipated that Phased PID Bonds will be issued for each new phase. In connection with the issuance of each new Phased PID Bonds, this Service and Assessment Plan will be updated to add additional details of each new Phase(s) as shown for Phase #1 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix F, Appendix G and Appendix H.

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

Section III DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. Authorized Improvement Overview

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

372.003. Authorized Improvements

- (a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.
- (b) A public improvement may include:
 - (i) landscaping;
 - (ii) erection of fountains, distinctive lighting, and signs;
 - (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
 - (iv) construction or improvement of pedestrian malls;
 - (v) acquisition and installation of pieces of art;
 - (vi) acquisition, construction, or improvement of libraries;
 - (vii) acquisition, construction, or improvement of off-street parking facilities;
 - (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
 - (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
 - (x) the establishment or improvement of parks;
 - (xi) projects similar to those listed in Subdivisions (i)-(x);
 - (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
 - (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and

- (xiv) payment of expenses incurred in the establishment, administration and operation of the district.

After analyzing the public improvement projects authorized by the PID Act, the City has determined that the Authorized Improvements as described in Appendix B and shown on the diagram included as Appendix C should be undertaken by the City for the benefit of the property within the PID.

B. Description of Estimated Costs of Major Improvements

The Major Improvements benefit the entire PID. The costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the Equivalent Units as calculated and shown in Appendix D using the planned lot types and anticipated number of lots.

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

Road Improvements:

Frontier Parkway was constructed as a 2-lane paved road (120' right-of-way) of approximately 5,425 linear feet. Legacy Drive was constructed a 4-lane paved road (120' right-of-way road approximately 2,975 linear feet.

Water Distribution System Improvements:

A twelve (12") inch water line was constructed to serve the development. The line starts at an existing stub near the entrance of Light Farms to the northeast. The line will continue along the east side of the Dallas North Tollway (DNT). The line will cross underneath the DNT and along the north side of Frontier Parkway. The total length along the DNT is 5,685 linear feet. An additional 12 inch water line extension extends along Frontier Parkway to the west side of the Creeks of Legacy boundary and along Legacy Dr for approximately 16,594 linear feet.

Sanitary Sewer Improvements:

An existing thirty six (36") inch Doe Branch sanitary sewer line is located north of the development. An eighteen (18") inch gravity sanitary sewer line connects into Doe Branch and then reduces to a fifteen (15") inch gravity flow sewer line that runs along Frontier Parkway until it reaches the DNT. The line is designed to carry the flow of the development along with the future commercial tracts that will be located between the development and the DNT. The sanitary sewer line has also factored approximately 500 acres of commercial tracts located east of the DNT. This line benefits the entire development along with the surrounding future areas.

Storm Drainage Improvements

The site drains in two directions. Approximately half of the property drains north towards the Doe Branch Creek, while the remaining half drains to the existing creek located on the south side

of the development. Enclosed storm drainage in the northern portion (East of Legacy Drive) drains into Doe Branch Creek, while the southern portion drains into the stream south of the property. The west portion of the PID (Stonegate/Wu) drains into the Doe Branch Creek using enclosed storm drains and open channels. Drainage improvements of each builder shall consist of underground reinforced concrete storm sewer pipes, inlets, and rock riprap protection at outfalls.

Table III-A-1
Original Estimated Major Improvement Costs

Authorized Improvements	Total Estimated Major Improvement Costs
Road improvements including right-of-way	\$6,665,000
Water distribution system improvements	\$1,305,000
Sanitary sewer collection system improvements	\$1,415,000
Storm sewer collection system improvements	\$2,665,000
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$1,250,000
Total – Estimated Major Improvement Costs	\$13,300,000

The costs shown in Table III-A-1 are current estimates and may be revised in Annual Service Plan Updates.

According to the Developer, additional Major Improvements (the “Additional Major Improvements”) are being constructed within the PID. The Additional Major Improvements descriptions are presented below as provided by the project engineer. The costs of the Additional Major Improvements are shown in Table III-A-2. The costs shown in Table III-A-2 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Road Improvements:

The northern two lanes of Frontier Parkway (25’ wide paving section) will be extended from Doe Creek Branch (Collector Road) to Legacy Drive, a distance of approximately 2,200 linear feet. This section will include a bridge over a drainage area. The Creeks of Legacy development will extend the eastern two lanes of Legacy Drive (25’ wide paving section) from Frontier Parkway north to Clear Creek Parkway (Collector Road), with a full intersection at Clear Creek Parkway. Legacy Drive’s western two lanes will be constructed from the intersection with Clear Creek Parkway north for approximately 700 linear feet. Clear Creek Parkway (45’ wide paving section) will be extended from its intersection with Legacy Drive eastward approximately 700 linear feet, connecting with the existing roadway.

Water Distribution System Improvements:

Approximately 5,500 linear feet of twelve inch water line will be constructed adjacent to Frontier Parkway from Doe Creek Branch to Legacy Drive, and then north along Legacy Drive to a point north of Clear Creek Parkway.

Sanitary Sewer Improvements:

An eight inch sanitary sewer line will be extended from the intersection of Legacy Drive and Clear Creek Parkway west for approximately 160’.

Storm Drainage Improvements

Drainage improvements along the right-of-ways and paving sections shall consist of underground reinforced concrete storm sewer pipes, storm inlets, storm outlets, gabion structures, deepening of an existing detention pond, and rock riprap protection at outfalls.

Table III-A-2
Estimated Additional Major Improvement Costs

Authorized Improvements	Total Estimated Additional Major Improvement Costs
Road improvements including right-of-way	\$1,330,604
Water distribution system improvements	\$434,916
Sanitary sewer collection system improvements	\$19,932
Storm sewer collection system improvements	\$1,660,560
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$861,022
Total – Estimated Additional Major Improvement Costs	\$4,307,034

C. Description of Estimated Costs of Phase #1 Improvements

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

Road Improvements:

All on-site areas will be served by 31-foot wide, concrete streets within 50’ right-of-ways. On-site roads will include 4’ sidewalks within 9.5’ parkways.

Water Distribution System Improvements:

A network of eight inch water lines will be installed within the road right-of-way to serve the development. The on-site water lines will be connected to water mains along Collector A and Collector B.

Sanitary Sewer Improvements:

A network of eight (8) inch sanitary sewer line will be installed within the road right-of-way to serve the development. The on-site sanitary lines will connect to sanitary sewer main lines along Collector A, Collector B, Frontier Parkway and Legacy Drive. The sanitary sewer main lines connect to an existing regional sewer line along Doe Branch located northwest of the Phase #1

area.

Storm Drainage Improvements

The site drains in two directions. Approximately half of the property drains north towards the Doe Branch Creek, while the remaining half drains to the existing creek located on the south side of the development. Enclosed storm drainage in the northern portion (East of Legacy Drive) drains into Doe Branch Creek, while the southern portion drains into the stream south of the property. Drainage improvements of each builder shall consist of underground reinforced concrete storm sewer pipes, inlets, detention ponds and rock riprap protection at outfalls.

Table III-B
Estimated Phase #1 Improvement Costs

Authorized Improvements	Total Estimated Phase #1 Improvement Costs
Road improvements	\$2,665,000
Water distribution system improvements	\$790,000
Sanitary sewer collection system improvements	\$1,090,000
Storm sewer collection system improvements	\$1,475,000
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$2,508,639
Subtotal – Estimated Phase #1 Improvement Costs	\$8,528,639
Add: Proportional share of estimated Major Improvement Costs ¹	\$5,736,361
Proportional share of Additional Major Improvement Costs ¹	\$1,857,647
Total Estimated Phase #1 Improvement Costs	\$16,122,647

¹ See Section V(C) for allocation of Major Improvement costs to Phase #1.

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

D. Description of Estimated Costs of Phase #2 Improvements

The Phase #2 Improvements that benefit only Phase #2 are described below. The costs of the Phase #2 Improvements are shown in Table III-C. The costs shown in Table III-C are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Road Improvements:

All on-site areas will be served by 31-foot wide, concrete streets within 50' right-of-ways. On-site roads will include 4' sidewalks within 9.5' parkways.

Water Distribution System Improvements:

A network of eight inch (8) water lines will be installed within the road right-of-way to serve the development. The on-site water lines will be connected to water mains along Collector A and Collector B.

Sanitary Sewer Improvements:

A network of eight inch sanitary sewer line will be installed within the road right-of-way to serve the development. The on-site sanitary lines will connect to sanitary sewer main lines along Collector A, Collector B, Frontier Parkway and Legacy Drive. The sanitary sewer main lines connect to an existing regional sewer line along Doe Branch located northwest of the Phase #1 area.

Storm Drainage Improvements

The site drains in two directions. Approximately half of the property drains north towards the Doe Branch Creek, while the remaining half drains to the existing creek located on the south side of the development. Enclosed storm drainage in the northern portion (East of Legacy Drive) drains into Doe Branch Creek, while the southern portion drains into the stream south of the property. Drainage improvements of each builder shall consist of underground reinforced concrete storm sewer pipes, inlets, and rock riprap protection at outfalls.

Table III-C
Estimated Phase #2 Improvement Costs

Authorized Improvements	Total Estimated Phase #2 Improvement Costs
Road improvements	\$3,101,987
Water distribution system improvements	\$1,109,646
Sanitary sewer collection system improvements	\$809,669
Storm sewer collection system improvements	\$630,512
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$1,363,027
Subtotal Estimated Phase #2 Improvement Costs	\$7,014,841
Add: proportional share of Additional Major Improvement Costs ¹	\$1,676,343
Total Estimated Phase #2 Improvement Costs	\$8,691,183

¹ See Section V(C) for allocation of Additional Major Improvement costs to Phase #2.

The costs shown in Tables III-A-1, III-A-2, III-B and III-C are estimates and may be revised in Annual Service Plan Updates. The detailed costs of the Authorized Improvements are shown in Appendix B to this Service and Assessment Plan. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID).

E. Future Phase Authorized Improvements

As Phases are developed, it is anticipated that additional Phased PID Bonds will be issued to finance Authorized Improvements for each Future Phase. As Phased PID Bonds are issued for each Future Phase, this Service and Assessment Plan will be updated to identify the specific Authorized Improvements financed by such Phased PID Bonds that benefit each Phase (e.g., a Table III-D will be added to show the estimated costs Authorized Improvements for Phase #3, etc.).

Section IV SERVICE PLAN

A. Sources and Uses of Funds

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five year period. It is anticipated that it will take approximately 12 months to construct the Major Improvements to be financed with the Phases #2 - 3 Major Improvement Bonds and approximately 12 months for the Phase #1 Improvements to be constructed. At some point after all or a portion of the Major Improvements and Phase #1 Improvements are constructed, Phase #2 will begin development. After Phase #2 is developed, it is anticipated that phase #3 will begin development, and so on, with each Future Phase to be subsequently developed corresponding to the Service and Assessment Plan to be updated with that development.

The estimated Actual Costs for Major Improvements and Phase #1 Improvements plus costs related to the issuance of the Bonds, in one or more series, for the Major Improvements and Phase #1 Improvements and payment of expenses incurred in the establishment, administration and operation of the PID is \$24,413,055 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

Table IV-A-1 summarizes the original sources and uses of funds required to construct the Major Improvements to be financed with the Phases #2 - 3 Major Improvement Bonds and Phase #1 Improvements, establish the PID, and issue the Phase #1 PID Bonds and Phases #2 – 3 Major Improvement Bonds. The sources and uses of funds shown in Table IV-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

Table IV-B summarizes the sources and uses of funds required to construct the Phase #2 Improvements to be financed with the Phase #2 Bonds. The sources and uses of funds shown in Table IV-B shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

As Future Phases are developed in connection with the issuance of Phased PID Bonds, this Service and Assessment Plan will be amended (e.g. Table IV-B-2 will be amended to add phase #3, etc.).

Bonds to finance the Major Improvements and Phase #1 Improvements were issued starting in 2014. Table IV-A-1 and Table IV-A-2 show the original and updates sources and uses of the Bonds, respectively.

Table IV-A-1
Original Estimated Sources and Uses

Sources of Funds	Phase #1A Bonds	Phase #1 Reimbursement Agreement	Phases #2-3A Major Improvement Bonds	Total
Estimated Bond par amount	\$8,750,000	\$3,750,000	\$6,575,000	\$19,075,000
Other funding sources	\$542,012	\$4,280,000	\$516,043	\$5,338,055
Total Sources	\$9,292,012	\$8,030,000	\$7,091,043	\$24,413,055
Uses of Funds				
<i>Major Improvements</i>				
Road improvements	\$1,673,669	\$1,200,981	\$2,571,523	\$5,446,172
Water distribution system improvements	\$327,703	\$235,151	\$503,501	\$1,066,355
Sanitary sewer improvements	\$355,325	\$254,972	\$545,942	\$1,156,239
Storm drainage improvements	\$669,216	\$480,212	\$1,028,223	\$2,177,652
Other soft and miscellaneous costs	\$313,891	\$225,240	\$482,281	\$1,021,413
Subtotal	\$3,339,804	\$2,396,556	\$5,131,470	\$10,867,831
<i>Phase 1 Improvements</i>				
Road improvements	\$1,161,501	\$1,503,499	\$0	\$2,665,000
Water distribution system improvements	\$344,310	\$445,690	\$0	\$790,000
Sanitary sewer improvements	\$475,061	\$614,939	\$0	\$1,090,000
Storm drainage improvements	\$642,857	\$832,143	\$0	\$1,475,000
Other soft and miscellaneous costs	\$1,093,354	\$1,415,285	\$0	\$2,508,639
Subtotal	\$3,717,083	\$4,811,556	\$0	\$8,528,639
Estimated Bond issue costs	\$2,235,125	\$821,887	\$1,959,573	\$5,016,585
Total Uses	\$9,292,012	\$8,030,000	\$7,091,043	\$24,413,055

Notes: The information provided is based on the final bond cash flows. Phase #1 Improvements include the Authorized Improvements listed under this heading plus the estimated \$5.736 million pro rata share of the Major Improvements allocated to Phase #1. The Phase #1 Reimbursement Agreement will finance the remaining Phase #1 Improvements after a portion of such improvements are financed through the Bonds issued in 2014.

The Phase #1 Bonds shown in Table IV-A were anticipated to be issued in two series. The first series of Phase #1 Bonds ("Phase #1A Bonds") were issued in 2014 and to pay and/or reimburse the Developer for a portion of the costs of Phase #1 Improvements. The remaining costs of Phase #1 Improvements were initially financed through a Reimbursement Agreement dated as of June 18, 2014 (the "Phase #1 Reimbursement Agreement"), which is being replaced by the second Phase #1B Bonds. The Phase #1B Bonds are being issued after some or all of the Phase #1 Improvements are constructed and will be used to replace the Phase #1 Reimbursement Agreement and/or reimburse the Developer for the remaining portion of the costs of Phase #1 Improvements.

Table IV-A-2 summarizes the updated sources and uses of funds required to construct the Major

Improvements to be financed with the Phases #2 - 3 Major Improvement Bonds and Phase #1 Improvements, establish the PID, issue the Phase #1 PID Bonds and Phases #2 – 3 Major Improvement Bonds and construct the Additional Major Improvements. The updated sources and uses of funds shown in Table IV-A-2 shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

Table IV-A-2
Updated Sources and Uses

Sources of Funds	Phase #1A Bonds	Phase #1B Bonds	Phases #2-3A Major Improvement Bonds	Total
-				
Estimated Bond par amount	\$8,750,000	\$3,750,000	\$6,575,000	\$19,075,000
Other funding sources	\$542,012	\$6,028,259	\$2,965,431	\$9,535,702
Total Sources	\$9,292,012	\$9,778,259	\$9,540,431	\$28,610,702
Uses of Funds				
<u>Major Improvements</u>				
Road improvements	\$1,673,669	\$1,200,981	\$2,571,523	\$5,446,172
Water distribution system improvements	\$327,703	\$235,151	\$503,501	\$1,066,355
Sanitary sewer improvements	\$355,325	\$254,972	\$545,942	\$1,156,239
Storm drainage improvements	\$669,216	\$480,212	\$1,028,223	\$2,177,652
Other soft and miscellaneous costs	\$313,891	\$225,240	\$482,281	\$1,021,413
Subtotal	\$3,339,804	\$2,396,556	\$5,131,470	\$10,867,831
<u>Additional Major Improvements</u>				
Road improvements	\$0	\$573,897	\$756,707	\$1,330,604
Water distribution system improvements	\$0	\$187,582	\$247,334	\$434,916
Sanitary sewer improvements	\$0	\$8,597	\$11,335	\$19,932
Storm drainage improvements	\$0	\$716,208	\$944,352	\$1,660,560
Other soft and miscellaneous costs	\$0	\$371,363	\$489,659	\$861,022
Subtotal	\$0	\$1,857,647	\$2,449,387	\$4,307,034
<u>Phase 1 Improvements</u>				
Road improvements	\$1,161,501	\$1,503,499	\$0	\$2,665,000
Water distribution system improvements	\$344,310	\$445,690	\$0	\$790,000
Sanitary sewer improvements	\$475,061	\$614,939	\$0	\$1,090,000
Storm drainage improvements	\$642,857	\$832,143	\$0	\$1,475,000
Other soft and miscellaneous costs	\$1,093,354	\$1,415,285	\$0	\$2,508,639
Subtotal	\$3,717,083	\$4,811,556	\$0	\$8,528,639
Estimated Bond issue costs	\$2,235,125	\$712,500	\$1,959,573	\$4,907,198
Total Uses	\$9,292,012	\$9,778,259	\$9,540,431	\$28,610,702

Notes: The information provided is based on the final bond cash flows. Phase #1 Improvements include the Authorized Improvements listed under this heading plus the estimated \$5.736 million pro rata share of the Major Improvements allocated to Phase #1. The Phase 1B Bonds will replace the Phase #1 Reimbursement Agreement and/or reimburse the Developer for the remaining portion of the costs of Phase #1 Improvements after a portion of such improvements are financed through the Bonds issued in 2014. The Additional Major Improvements shown herein represent the amounts allocated to Phase #1 and Phases #2 – 3. The portion of the Additional Major Improvements allocable to Phase #2 is shown separately in Table IV-B below.

The costs of Phases #2 Improvements were initially financed through a Reimbursement Agreement (the “Phase #2 Reimbursement Agreement”) dated as of March 13, 2018. The Phase #2 Bonds are being issued after some or all of the Phase #2 Improvements and the proportional allocable Additional Major Improvements are constructed and will be used to replace the Phase #2 Reimbursement Agreement and/or reimburse the Developer for the remaining portion of the costs of Phase #2 Improvements.

Table IV-B shows the sources and uses of the Phase #2 Bonds.

Table IV-B
Estimated Sources and Uses – Phase #2 Improvements

Sources of Funds	Phase #2 Bonds
Phase #2 Assessments	\$6,875,000
Other funding sources	\$3,565,576
Total Sources	\$10,440,576
Uses of Funds	
<u>Additional Major Improvements</u>	
Road improvements	\$519,232
Water distribution system improvements	\$169,714
Sanitary sewer improvements	\$7,778
Storm drainage improvements	\$647,989
Other soft and miscellaneous costs	\$335,991
Subtotal	\$1,680,704
<u>Phase#2 Improvements</u>	
Road improvements	\$3,101,987
Water distribution system improvements	\$1,109,646
Sanitary sewer improvements	\$809,669
Storm drainage improvements	\$630,512
Other soft and miscellaneous costs	\$1,363,027
Subtotal	\$7,014,841
Estimated Bond issuance costs	\$1,745,031
Total Uses	\$10,440,576

Notes: The information provided is based on the preliminary bond cash flows. Phase #2 Improvements include the Authorized Improvements listed under this heading plus the estimated \$1,676,343 million pro rata share of the Additional Major Improvements allocated to Phase #2. The Phase #2 Bonds will replace the Phase #2 Reimbursement Agreement and/or reimburse the Developer for the remaining portion of the costs of Phase #2 Improvements.

The Phases #2 - 3 Major Improvement Bonds shown in Table IV-A-2 were issued in 2014. The Phases #2 - 3 Major Improvement Bonds issued in 2014 were used to pay and/or reimburse the Developer for a portion of the costs of Phases #2 - 3 Major Improvements. The remaining costs of Phases #2 - 3 Major Improvements will be financed through future Bonds, which may be issued separately or combined with improvement costs for Future Phases.

As Future Phases are developed, it is anticipated that additional Phased PID Bonds will be issued

for each new future phase improvements. Phase #2 Bonds will be issued to finance the Authorized Improvements required for Phase #2 (and/or to replace any Reimbursement Agreement for Phase #2) and phase #3 bonds will be issued to finance the Authorized Improvements required for phase #3 (and/or to replace any Reimbursement Agreement for phase #3) as each future phase is developed. Each Future Phased PID Bond may also be issued in one or more series of Bonds. The projected chronology of the Bonds is presented below.

Series 2014 - Phase #1A Bonds to finance (i) the pro-rata costs of the Major Improvements allocable to Phase #1 and, (ii) a portion of the Authorized Improvements that benefit only Phase #1. It is likely that this and the subsequent 'A' financings for each phase will only be able to fund a part of the internal public infrastructure (to maintain a prudent VtL) and the balance will be funded by a subsequent 'B' financing for each phase once the development within each phase is substantially complete as is contemplated with the issuance of the Phase #1B Bonds.

Phases #2-3 Major Improvement Bonds to finance the pro-rata costs of the Major Improvements allocable to Phases #2-3 Major Improvement Area that benefit only Phases #2-3 Major Improvement Area. It is possible the balance will be funded by a subsequent 'B' financing for the Phases #2-3 Major Improvements once the development within Phases #2-3 Major Improvement Area is commenced.

Series 2018 Phase #1B Bonds to refinance the Phase #1 Reimbursement Agreement and/or to reimburse the Developer for the remaining costs of the Phase #1 Improvements, if any.

Series 2018 Phase #2 Bonds to finance a part of the internal subdivision Authorized Improvements within Phase #2.

Series 2021-22 Phase #3 Bonds to finance a part of the internal subdivision Authorized Improvements within phase #3. It is possible that this financings for each phase will only be able to fund a part of the internal public infrastructure (to maintain a prudent VtL) and the balance of the applicable Authorized Improvements for the Phase may be funded by a subsequent 'B' financing once the development within Phase #3 is commenced.

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

Table IV-C
Annual Projected Costs and Annual Projected Indebtedness

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds
2014	\$16,383,055	\$15,325,000	\$1,058,055
2015	\$0	\$0	\$0
2016	\$0	\$0	\$0
2017	\$8,030,000	\$3,750,000	\$4,280,000
2018	\$13,066,906 ¹	\$6,875,000	\$6,191,906 ²
2019	\$0	\$0	\$0
Total	\$37,479,961	\$25,950,000	\$11,529,961

1 – The total costs shown include the estimated costs of the Additional Major Improvements and Phase #2 Improvements. 2 – The amount represents the total cost of \$13,066,906 less the amount financed through the Phase #2 Bonds.

The annual projected costs shown in Table IV-C are the annual expenditures relating to the Major Improvements shown in Table III-A, the Phase #1 Improvements shown in Table III-B, the Phase #2 Improvements shown in Table III-C and the costs associated with setting up the PID and costs of issuance including reserves shown in Table IV-A-2 and Table IV-B. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer. As Future Phases are developed, in association with issuing Phased PID Bonds, this Table IV-C will be updated to identify the Authorized Improvements to be financed by each new series of the Phased PID Bonds and the projected indebtedness resulting from each additional series of the Phased PID Bonds.

Section V ASSESSMENT PLAN

A. Introduction

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

The proposed bond issuance program entails a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Phase #1A Bonds and the Phases #2 – 3 Major Improvement Bonds issued in 2014 and the Phase #1B Bonds to be issued, subsequent financings are to be issued over the upcoming decade as the two subsequent phases (Phases #2 and #3) of the development are gradually constructed.

The purpose of this gradual issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The 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 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") ratio within the financing program. In order to maintain a prudent VtL, the initial issuance of bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt 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 special 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. For example, the Phase #1A Bonds to be issued to finance a portion of the Phase #1 Improvements, including the pro-rata costs of the Major Improvements allocable to Phase #1 Assessed Property, followed by a second parity lien issuance of bonds (the Phase #1B Bonds) demonstrates this analysis.

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

1. The Major Improvement and Phase #1 Improvement costs shall be allocated on the basis of the relative value of Parcels once such property is developed, and that such

- method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The City Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council has taken in to consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home process provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the improvements.
 3. The Assessed Property is classified into different Lot Types as described in Appendix D based on the type and size of proposed development on each Parcel.
 4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.
 5. The Major Improvement costs are proportionally allocated to the Phases #2 – 3 Major Improvement Assessed Property and the Phase #1 Assessed Property based on the ratio of total Equivalent Units estimated for the Phases #2 - 3 Major Improvement Assessed Property and the Phase #1 Assessed Property.
 6. The Phases #2 - 3 Major Improvement Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2 – 3 Major Improvement Assessed Property based on the total Equivalent Units estimated for each Parcel.
 7. The Phase #1 Improvement costs (including Phase #1 Assessed Property's proportional share of the costs of the Major Improvements) are allocated to each Parcel within the Phase #1 Assessed Property based on the total Equivalent Units estimated for each Parcel.
 8. The Phase #2 Improvement costs are allocated to each Parcel within the Phase #2 Assessed Property based on the total Equivalent Units estimated for each Parcel.

Table V-A provides the estimated allocation of costs of the Authorized Improvements constituting Major Improvements and Phase #1 Improvements.

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

In connection with the issuance of Phased PID Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Phased PID Bonds issued with respect to that Future Phase. Prior to assessing Parcels located within Future Phases in connection with issuance of Phased PID Bonds, 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 Major Improvements, Phase #1 Improvements and Phase #2 Improvements, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the

Phase #1 Assessed Property, the Phase #2 Assessed Property and Phases #2 – 3 Major Improvement Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Major Improvements, Phase #1 Improvements and Phase #2 Improvements to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination 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.

As Future Phases are developed, in connection with the issuance of Phased PID Bonds this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Phase.

B. Special Benefit

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

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

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

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

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

The special assessments will repay financing that is on advantageous terms, as the Bonds issued to finance the public improvements will pay interest that is exempt from federal income tax. As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the tax-exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

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

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

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the costs of the Authorized Improvement through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,
6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. Allocation of Costs to Assessed Property

The Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Major Improvement costs must be allocated throughout all Assessed Property in the District. Table V-A summarizes the allocation of estimated costs for each Major Improvement. The costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Phase #1 is projected to contain 427 residential units. As shown in Appendix D, the total

Equivalent Units for Phase #1 is calculated as 374.80. The Phases #2 – 3 Major Improvement Area is projected to contain 594 residential units resulting in a total of 494.19 Equivalent Units as shown in Appendix D. The Total projected Equivalent Units in the PID is, therefore, calculated to be 868.99 (i.e., $374.80 + 494.19 = 868.99$). As a result, 43.13 percent of the estimated costs of Major Improvements (i.e. $374.80 \div 868.99 = 43.13\%$) are allocated to the Phase #1 Assessed Property and 56.87 percent of the estimated costs Major Improvements (i.e., $494.19 \div 868.99 = 56.87\%$) are allocated to the Phases #2 - 3 Major Improvement Assessed Property. The Additional Major Improvements are allocated to the Phase #1 Assessed Property using the same 43.13% calculated herein. The Phases #2 – 3 Major Improvement Bonds will fund the proportionate share of the estimated costs of the Major Improvement allocated to the Phases #2 – 3 Major Improvement Area; and, Phase #1 Bonds will fund Phase #1's proportionate share of the estimated costs of the Major Improvements.

Phase #2 is projected to contain 403 residential units. As shown in Appendix D, the total Equivalent Units for Phase #2 is calculated as 339.10. The Total projected Equivalent Units in the PID is shown above to be 868.99. As a result, 39.02 percent of Additional Major Improvements (i.e. $339.10 \div 868.99 = 39.02\%$) are allocated to the Phase #2 Assessed Property.

Table V-A
Allocation of Major Improvement Costs

Major Improvement Estimated Costs	
Authorized Improvement	Estimated Costs
Road Improvements	\$6,665,000
Water Improvements	\$1,305,000
Sanitary Sewer Improvements	\$1,415,000
Storm Drainage Improvements	\$2,665,000
Other soft and miscellaneous costs	\$1,250,000
Total Major Improvements	\$13,300,000
Phase #1	
Projected total Equivalent Units ¹	374.80
% of total Equivalent units	43.13%
Proportionate Share of Costs ²	\$5,736,361
Phases #2 - 3	
Projected total Equivalent Units	494.19
% of total Equivalent units	56.87%
Proportionate Share of Costs ³	\$7,563,639
Notes: (1) See Appendix D for the detailed calculation of Equivalent Units.	
(2) Any Additional Major Improvements shall be allocated to Phase #1 using the same percentage calculated above (i.e.\$1,857,647 (43.13%) of the \$4,307,034 total cost of Additional Major Improvements shown in Table III-A-2 are allocable to Phase #1).	
(3) Any Additional Major Improvements shall be allocated to Phase #2 using the percentage calculated above (i.e.\$1,680,704 (39.02%) of the \$4,307,034 total cost of Additional Major Improvements shown in Table III-A-2 are allocable to Phase #2).	

D. Assessment Methodology

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

1. Assessment Methodology for the Major Improvements for Phases #2 – 3 Major Improvement Area

For purpose of this Service and Assessment Plan, the City Council determined that the portion of Actual Costs of the Major Improvement costs to be allocated to Phases #2 - 3 Major Improvement Area shall be allocated to the Phases #2 - 3 Major Improvement Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix D using the types, number and average home value of Lots anticipated to be developed on each Parcel. Having taken into consideration the matters described under Sections V (A) and (B) above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the Lot Types. These classifications (from Lot Type 1 (70 Ft Lots) representing the highest residential value to Lot Type 3 (50 Ft Lot) representing the lowest value. Assessments are allocated to each land use class on the basis of the average value for each Lot Type. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each Lot Type, setting the Equivalent Unit factor for Lot Type 1 (70 Ft Lots) to 1.0.

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

The Assessment and Annual Installments for each Parcel or Lot located within the Phases #2 - 3 Major Improvement Area is shown on the Phases #2 – 3 Major Improvement Assessment Roll, attached as Appendix F, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. Assessment Methodology for Phase #1

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Improvements, including and the portion of the Major Improvements to be financed with the Phase #1 Bonds, shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix D using the types and number of lots anticipated to be developed on each Parcel within Phase #1. As part of the determination as to the ability of

different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Based on the estimates of the costs of the Phase #1 Improvements and the portion of the Major Improvements that benefit Phase #1 provided by Peloton Land Solutions, as set forth in Table III-B, the City Council has determined that the benefit of the Phase #1 Improvements to Phase #1 Assessed Property is at least equal to the Assessments levied on the Phase #1 Assessed Property.

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

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

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

3. *Assessment Methodology for Phase #2*

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

Based on the estimates of the costs of the Phase #2 Improvements and the portion of the Phase #2 Improvements that benefit Phase #2 provided by the project engineer, as set forth in Table III-C, the City Council has determined that the benefit of the Phase #2 Improvements to Phase #2 Assessed Property is at least equal to the Assessments levied on the Phase #2 Assessed Property.

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

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

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

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

4. *Assessment Methodology for Future Phases*

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

E. Assessments

The Assessments for the Phase #1 Bonds and the Phases #2 – 3 Major Improvement Bonds were levied on each Parcel according to the Phases #2 – 3 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, attached hereto as Appendix F and Appendix G, respectively. The Annual Installments for the Phases #2 – 3 Major Improvement Bonds and the Phase #1 Bonds are being collected at the time and in the amounts shown on the Phases #2 – 3 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, respectively, subject to any revisions made during an Annual Service Plan Update.

The Assessments for the Phase #2 Reimbursement Agreement (which is being replaced with Phase #2 Bonds) were levied on each Parcel according to the Phase #2 Assessment Roll, attached hereto as Appendix H. The Annual Installments for the Phase #2 Bonds will be collected at the time and in the amounts shown on the Phase #2 Assessment Roll, respectively, subject to any revisions made during an Annual Service Plan Update.

F. Administrative Expenses

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

G. Prepayment Reserve

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

H. Delinquency Reserve

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

I. TIRZ Credit

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues (the 47.63% of the property tax increment collected and deposited into the TIRZ No. 2 tax increment fund) generated from each Parcel to offset a portion of such Parcel's PID assessments (the "TIRZ Credit"). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel. The TIRZ Credit applicable to each Parcel shall be calculated as described under Section VI (B) of this Service and Assessment Plan.

Section VI TERMS OF THE ASSESSMENTS

A. Amount of Assessments and Annual Installments for Parcels Located within Phases #2 – 3 Major Improvement Area

The Assessment and Annual Installments for each Assessed Property located within Phases #2 – 3 Major Improvement Area are shown on the Phases #2 – 3 Major Improvement 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 principal and interest on the Phases #2 – 3 Major Improvement Bonds, to fund the prepayment reserve and delinquency reserve described in Section V, to cover Administrative Expenses of Phases #2 – 3 Major Improvement Area.

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

The Assessment and Annual Installments for each Assessed Property located within Phase #1 is shown on the Phase #1 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 principal and interest on the Phase #1 Bonds, to fund the prepayment reserve and delinquency reserve described in Section V, and to cover Administrative Expenses of Phase #1. The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel. The TIRZ Credit for each Parcel shall be calculated using the following formula:

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

Where the terms have the following meanings:

- A = the TIRZ Credit amount for a Parcel
- B = the total TIRZ Revenues collected for the preceding year
- C = the total Equivalent Unit of the Parcel
- D = the total Equivalent Units of all Parcels

The TIRZ Revenues collected in any given year shall be used to calculate the TIRZ Credit in the following year (i.e., TIRZ Revenues collected in 2015 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2016). TIRZ Credits shall be calculated for those Parcels that are subject to Assessments by the PID. The total TIRZ Revenues collected from all Parcels in each Phase shall be used to calculate the TIRZ Credit applicable to each Parcel within the Phase based on the above formula. The total TIRZ increment amount generated by all Phase #1 Assessed Property will be divided by the total Equivalent Units in Phase #1 to determine the TIRZ credit applicable to each Phase #1 Assessed Property. The total TIRZ increment amount generated by all Phases #2 - 3 Major Improvement Assessed Property will be divided by the total Equivalent Units in Phases #2 - 3 Major Improvement Assessed Property to determine the TIRZ credit applicable to each Phases #2 - 3 Major Improvement Assessed

Property. The Equivalent Units to be used for the calculation of the TIRZ Credit shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

This method of allocating the TIRZ Revenues to all Parcels in a Phase would result in equal amount of TIRZ Credits applied to similar Parcels, However, it may result in lower amounts applied as TIRZ Credit for Parcels that generate higher than average TIRZ Revenues. The TIRZ Revenues can be applied proportionally to calculate the TIRZ Credits for each Parcel generating the TIRZ Revenues if the TIRZ Credit is calculated separately for each Parcel and such TIRZ Credit is directly applied on a Parcel-by-Parcel basis.

Accordingly, the TIRZ Credit calculation methodology described in the Service and Assessment Plan has been updated herein as follows as approved by the City Council as part of the Annual Service Plan Update for 2016-17.

The TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate the Parcel's TIRZ Credit for such Parcel (and/or new Parcels subdivided from such Parcel) in the following year (i.e., TIRZ Revenues collected in 2017 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2018). The TIRZ Credit shall be calculated for those Parcels that are subject to Assessments in the PID and have generated TIRZ Revenues.

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

The Assessment and Annual Installments for each Assessed Property located within Phase #2 is shown on the Phase #2 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 principal and interest on the Phase #2 Bonds and to cover Administrative Expenses of Phase #2. The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel. The TIRZ Credit for each Parcel shall be calculated in the same manner as shown for Phase #1 above.

D. Amount of Assessments and Annual Installments for Parcels Located Within Future Phases

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for phase #3, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

E. Reallocation of Assessments

1. Subdivision

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

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

Where the terms have the following meanings:

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

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

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

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

F. 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.

G. Reduction of Assessments

1. If after all Authorized Improvements to be funded with a series of Bonds have been

completed and Actual Costs for such Authorized Improvements are less than the Actual Costs used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Collection Costs, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on Equivalent Units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Collection Costs. The Principal Portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the Bonds is equal to the outstanding principal amount of the Bonds.

H. Payment of Assessments

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part in an amount sufficient to allow for a convenient redemption of Bonds as determined by the Administrator. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the

partial payment is made.

2. Payment in Annual Installments

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

Each Assessment on the Phase #1 Assessed Property and Phases #2-3 Major Improvement Assessed Property shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds and (ii) 9.79 percent per annum. The Phases #2 - 3 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel based on Bond interest rates of 6.75%, 7.25% and 7.625% for the Phases #2 - 3 Bonds due in 2024, 2032 and 2040, respectively, and additional interest at the rate of 0.5% for Administrative Expenses, Prepayment Reserve and Delinquency Reserve.

The Phase #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on Bond interest rates of 6.375%, 6.625% and 7.00% for the Phases #1A Bonds due in 2028, 2032 and 2040, respectively, Phase #1B Bonds estimated interest rate of 5.85% and additional interest at the rate of 0.5% for Administrative Expenses, Prepayment Reserve and Delinquency Reserve.

The Phase #2 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on estimated Bond interest rate of 5.85% for the Phases #2 Bonds due in 2048 and additional interest at the rate of 0.5% for Administrative Expenses, Prepayment Reserve and Delinquency Reserve.

The principal and interest component of the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls, updated with the actual interest rates on the Phase #1A Bonds, Phases #2 – 3 Major Improvement Bonds, the estimated rate on Phase #1B Bonds and the estimated interest rate on the Phase #2 Bonds, are shown as Appendix F, Appendix G and Appendix H. The Annual Installments shall be reduced to equal the actual costs of repaying the Bonds and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

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

F. Collection of Annual Installments

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

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

Section VII THE ASSESSMENT ROLL

A. Major Improvement Area Assessment Roll

Each Parcel within Phases #2 - 3 Major Improvement Area has been evaluated by the City Council (based on the concept plan, developable area, proposed Homeowner Association Property and Public Property, the Major Improvements, best and highest use of land, and other development factors deemed relevant by the City Council) to determine the Assessed Property within each Parcel.

Phases #2 – 3 Major Improvement Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Major Improvements. Table IV-A summarizes the \$7,091,043 in special benefit received by Phases #2 - 3 Major Improvement Area from a portion of the Major Improvements, the pro rata costs of the PID formation, and issuance costs for the proposed Phases #2 – 3 Major Improvement Bonds. The total amount of Phases #2 – 3 Major Improvement Bonds was \$6,575,000, which was less than the benefit received by Phases #2 – 3 Major Improvement Assessed Property, and as such the total Assessment for all Assessed Property within Phases #2 - 3 Major Improvement Area was \$6,575,000 plus annual Administrative Expenses. The Assessment for each Parcel of Assessed Property within the Phases #2 - 3 Major Improvement Area was calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phases #2 – 3 Major Improvement Assessment Roll is attached hereto as Appendix F.

B. Phase #1 Assessment Roll

Phase #1 Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Phase #1 Improvements that benefit Phase #1, which include a proportionate share of the Major Improvements allocable to Phase #1. Table IV-A summarizes the \$17,322,012 in special benefit received by Phase #1 Assessed Property from the Phase #1 Improvements that benefit Phase #1, including the proportionate share of the Major Improvements allocable to Phase #1, the pro rata costs of the PID formation, and Bond issuance costs. The total amount of Phase #1A Bonds and the Phase #1 Reimbursement Agreement was \$12,500,000, which was less than the benefit received by Phase #1 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #1 was \$12,500,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within Phase #1 was calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phase #1 Assessment Roll is attached hereto as Appendix G.

C. Phase #2 Assessment Roll

Phase #2 Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Phase #2 Improvements that benefit Phase #2. Table IV-B summarizes the \$10,436,214 in special benefit received by Phase #2 Assessed Property from the Phase #2 Improvements, the proportional share of the Additional Major Improvements that benefit Phase #2, and miscellaneous PID related costs. The amount of Phase #2 Bonds is \$6,875,000, which is less than the benefit received by Phase #2 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #2 is \$6,875,000 plus annual Administrative Expenses and

other authorized charges. The Assessment for each Parcel of Assessed Property within Phase #2 is calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phase #2 Assessment Roll is attached hereto as Appendix H.

D. Future Phase Assessment Roll

As Future Phases are developed, this Service and Assessment Plan will be updated to determine the Assessment for each Parcel located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for phase #3, etc.).

E. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phases #2 – 3 Major Improvement Assessment Roll, Phase #1 Assessment Roll and Phase #2 Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.H of this Service and Assessment Plan.

Once Bonds are issued, the Assessment Rolls shall be updated, which update may be done in the next Annual Service Plan Update, to reflect any changes resulting from the issuance of the Bonds. This update shall reflect the actual interest on the 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 Bonds and Developer funds.

Section VIII MISCELLANEOUS PROVISIONS

A. Administrative Review

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

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

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

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

B. Termination of Assessments

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

C. Amendments

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

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

(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. Administration and Interpretation of Provisions

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

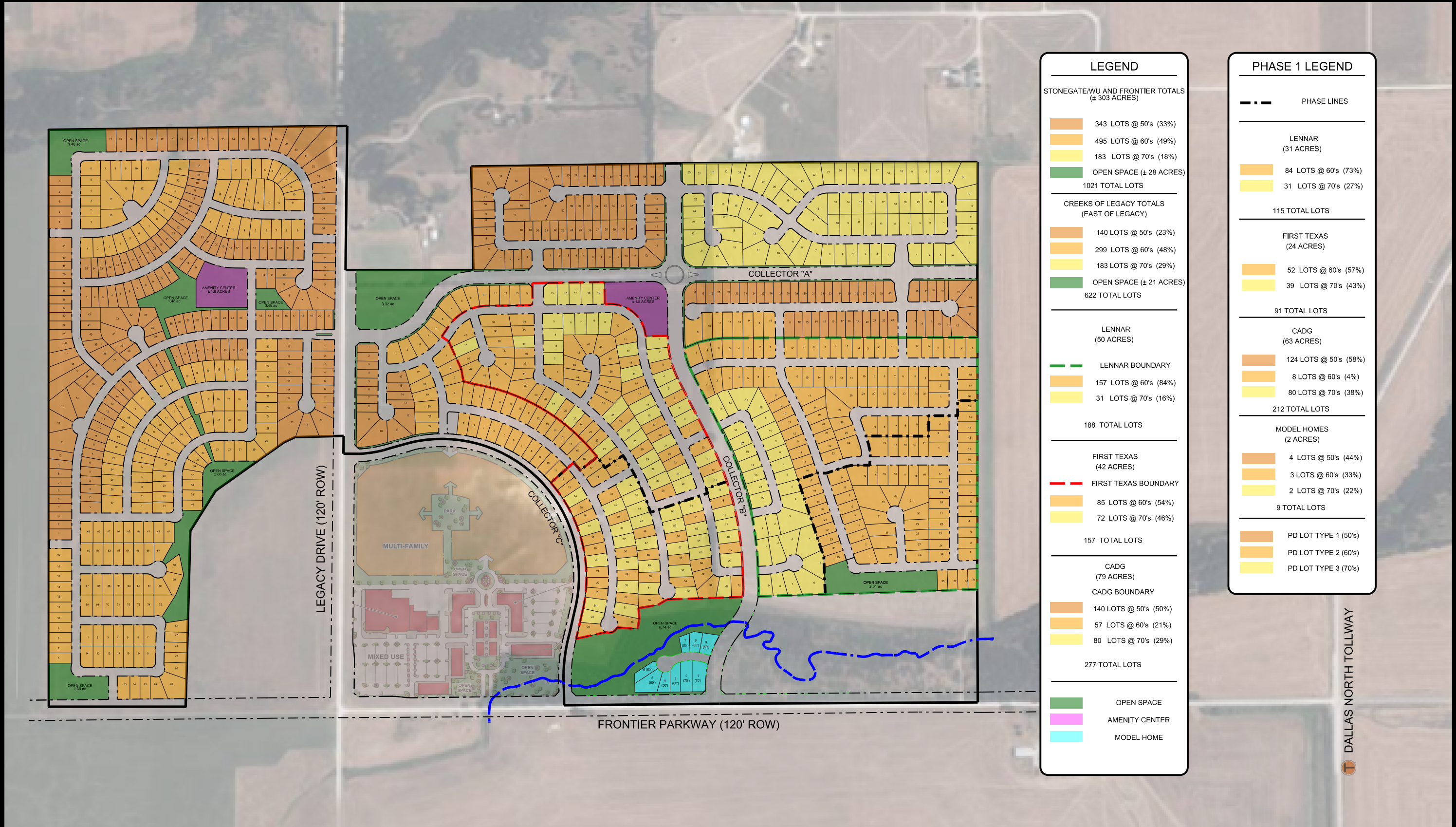
E. Severability

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

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

Appendix A

The PID MAP



CONCEPT PLAN
CREEKS OF LEGACY
CELINA, TEXAS
MAY 23, 2014



10875 JOHN W. ELLIOT DR., STE 400/FRISCO, TX 75033/469-213-1800

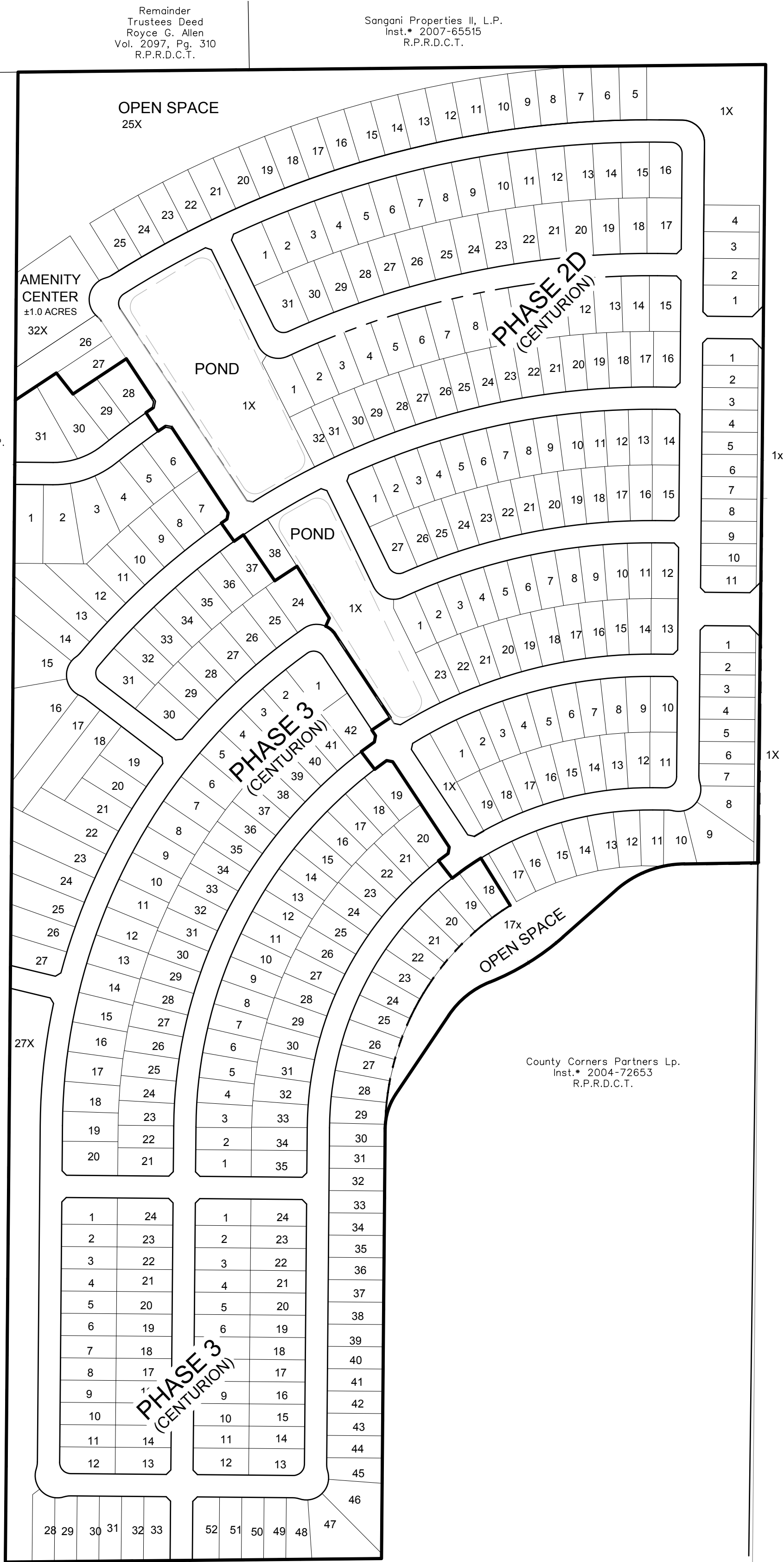


Exhibit
Creeks of Legacy Master Concept Plan
Celina, Texas
August 2018

Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Appendix B
Estimated Authorized Improvement Costs

Authorized Improvements	Estimated Major Improvement Costs	Estimated Phase #1 Improvement Costs	Estimated Future Phase Improvement Costs (for information purposes only)
Roadway Improvements			
Frontier Parkway (Collector B to DNT)	\$779,846	\$0	\$0
Frontier (Collector B to Legacy), Legacy and Frontier (Legacy to Stonegate)	\$2,255,562	\$0	\$0
Collector A and Collector B	\$2,029,592	\$0	\$0
Phase 1 on-site roadways	\$0	\$2,665,000	\$0
Future phase on-site roadways	\$0	\$0	\$2,585,000
Estimated right-of-way costs	\$1,600,000	\$0	\$0
Subtotal: Roadway improvements	\$6,665,000	\$2,665,000	\$2,585,000
Water distribution system improvements			
Water improvements along DNT and DNT to Collector B	\$547,210	\$0	\$0
Water improvements along Frontier (Collector B to Legacy), Legacy and Frontier (Legacy to Stonegate)	\$400,300	\$0	\$0
Water improvements along Collector and Collector B	\$357,490	\$0	\$0
Phase 1 on-site water improvements	\$0	\$790,000	\$0
Future phase on-site water improvements	\$0	\$0	\$765,000
Subtotal: Water improvements	\$1,305,000	\$790,000	\$765,000
Sewer collection system improvements			
Sewer system improvements along Legacy and Frontier (Legacy to Collector B)	\$689,949	\$0	\$0
Sewer system improvements along Frontier (Collector B to DNT)	\$316,424	\$0	\$0
Sewer system improvements along Collector A and	\$408,627	\$0	\$0
Phase 1 on-site sewer system improvements	\$0	\$1,090,000	\$0
Future phase on-site sewer system improvements	\$0	\$0	\$1,055,000
Subtotal: Sewer system improvements	\$1,415,000	\$1,090,000	\$1,055,000

Appendix B
Estimated Authorized Improvement Costs

Authorized Improvements	Estimated Major Improvement Costs	Estimated Phase #1 Improvement Costs	Estimated Future Phase Improvement Costs (for information purposes only)
Drainage collection system improvements			
Drainage system improvements along Frontier (DNT to	\$451,980	\$0	\$0
Drainage improvements along Frontier (Collector B to			
Legacy), Legacy and Frontier (Legacy to Stonegate)	\$969,629	\$0	\$0
Drainage system improvements along Collector A and			
Collector B	\$1,243,391	\$0	\$0
Phase 1 on-site drainage system improvements	\$0	\$1,475,000	\$0
Future phase on-site drainage system improvements	\$0	\$0	\$1,430,000
Subtotal: Drainage system improvements	\$2,665,000	\$1,475,000	\$1,430,000
Subtotal:estimated improvement costs	\$12,050,000	\$6,020,000	\$5,835,000
Other costs			
Engineering	\$731,500	\$421,400	\$408,450
Contingency and other soft costs	\$518,500	\$2,087,239	\$816,550
Subtotal: Other costs	\$1,250,000	\$2,508,639	\$1,225,000
Grand total improvements + soft costs	\$13,300,000	\$8,528,639	\$7,060,000
Estimated Major Improvement costs allocated to Phase 1	(\$5,736,361)	\$5,736,361	
Total estimated improvement costs to be funded	\$7,563,639	\$14,265,000	\$7,060,000
Estimated bond issuance costs ¹	\$1,962,404	\$3,057,012	
Grand Total Estimated Project Costs	\$9,526,043	\$17,322,012	

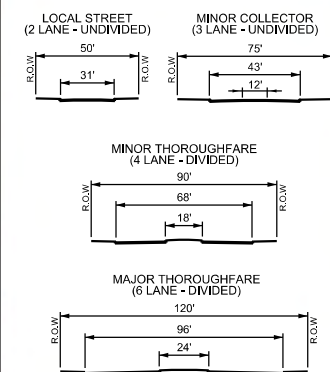
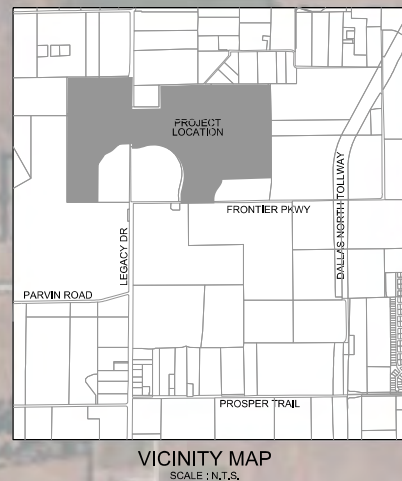
1 - The estimated bond issuance costs for Major Improvements includes amounts (rounded) only for the Series 2014 Phases #2-3 Major Improvement Bonds.

Appendix C

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

LEGEND

- OFFSITE SANITARY SEWER
- DOE BRANCH (EXISTING GRAVITY FLOW)
- FRONTIER PARKWAY 120' ROW 1-37' B-B (DNT TO COLLECTOR B)
- FRONTIER PARKWAY 120' ROW 1-37' B-B (LEGACY TO COLLECTOR B)
- FRONTIER PARKWAY 120' ROW 1-37' B-B (LEGACY TO STONEGATE)
- LEGACY DRIVE 120' ROW 2-37' B-B (NORTH PROPERTY BOUNDARY TO FRONTIER)
- COLLECTOR "B" 90' ROW 2-25' B-B (NORTH BOUNDARY TO FRONTIER)
- COLLECTOR "A" 75' ROW 43' B-B (WEST - MIDDLE OF TRAFFIC CIRCLE TO EAST BNDRY)
- COLLECTOR "A" 75' ROW 43' B-B (EAST - MIDDLE OF TRAFFIC CIRCLE TO LEGACY DR)
- PH 1 PHASE 1 ITEMS
- PH 2 FUTURE PHASE ITEMS



LENGTH - 3,430 FT
PH 2: PAV/GRAD/DRAIN \$1,818,399
PH 2: WATER \$219,586
PH 1: SEWER \$550,946

LENGTH - 2,073 FT
PH 1: PAV/GRAD/DRAIN \$818,937
PH 1: WATER \$99,693
PH 1: SEWER \$132,760

LENGTH - 1,785 FT
PH 1: PAV/GRAD/DRAIN \$716,796
PH 1: WATER \$89,981
PH 1: SEWER \$110,470

LENGTH - 3,313 FT
PH 1: PAV/GRAD/DRAIN \$2,125,273
PH 1: WATER \$206,884
PH 1: SEWER \$208,255

WATER LINE
LENGTH - 5,683 FT
PH 1: \$420,270

LENGTH - 2,190 FT
PH 2: PAV/GRAD/DRAIN \$1,172,812
PH 2: WATER \$125,084
PH 1: SEWER \$221,796

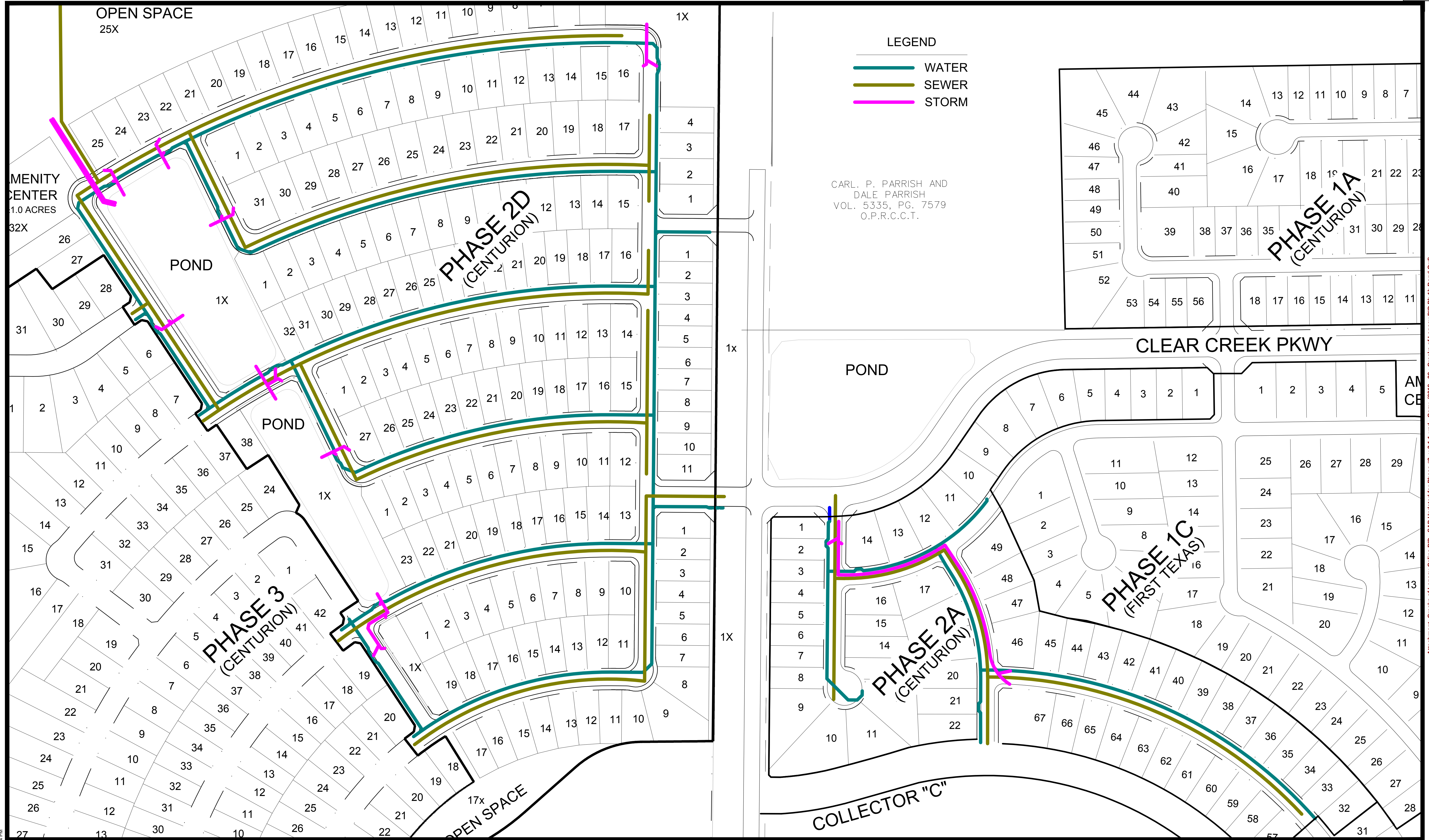
LENGTH - 3,571 FT
PH 1: PAV/GRAD/DRAIN \$1,379,645
PH 1: WATER \$192,605
PH 2: SEWER \$354,395

LENGTH - 1,720 FT
PH 2: PAV/GRAD/DRAIN \$621,004
PH 2: WATER \$103,666

	PHASE 1	PHASE 2	TOTAL TIF
OFFSITE WATER	\$1,009,433	\$448,336	\$1,457,769
OFFSITE SEWER	\$1,224,227	\$354,395	\$1,578,622
FRONTIER PARKWAY (COLLECTOR B TO DNT)	\$1,379,645	\$0	\$1,379,645
FRONTIER PARKWAY (COLLECTOR B TO LEGACY)	\$0	\$1,172,812	\$1,172,812
FRONTIER PARKWAY (LEGACY TO STONEGATE)	\$0	\$621,004	\$621,004
LEGACY DRIVE (FRONTIER TO N PROP. BOUNDARY)	\$0	\$1,818,399	\$1,818,399
COLLECTOR B TOTAL	\$2,125,273	\$0	\$2,125,273
COLLECTOR A (MIDDLE OF TRAFFIC CIRCLE TO LEGACY)	\$0	\$0	\$0
COLLECTOR A (MIDDLE OF TRAFFIC TO EAST BOUNDARY)	\$818,937	\$0	\$818,937
	\$716,796	\$0	\$719,796
	\$7,274,311	\$4,414,946	\$11,689,257

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)





Appendix D

LOT TYPES AND EQUIVALENT UNITS

Draft

Appendix D Lot Types and Equivalent Units

For purposes of allocating the Assessments, the Assessed Property has been classified in one of three Lot Types. The following table shows the proposed residential Lot Types within the PID.

**Table D-1
Proposed Development within the PID**

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	70 Ft Lots	183 units
Lot Type 2	60 Ft Lots	495 units
Lot Type 3	50 Ft Lots	343 units
Total		1,021 units

Table D-2 below shows the proposed residential Lot Types within Phase #1.

**Table D-2
Proposed Development – Phase #1**

Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	70 Ft Lots	152 units
Lot Type 2	60 Ft Lots	147 units
Lot Type 3	50 Ft Lots	128 units
Total		427 units

Table D-3-A below shows the proposed residential Lot Types within Phases #2 – 3 Major Improvement Area.

**Table D-3-A
Proposed Development - Phases #2 – 3 Major Improvement Area**

Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	70 Ft Lots	31 units
Lot Type 2	60 Ft Lots	348 units
Lot Type 3	50 Ft Lots	215 units
Total		594 units

Table D-3-B below shows the proposed residential Lot Types within Phase #2.

Draft

Table D-3-B
Proposed Development - Phase #2

Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	70 Ft Lots	33 units
Lot Type 2	60 Ft Lots	240 units
Lot Type 3	50 Ft Lots	130 units
Total		403 units

As explained under Section IV-D, For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the portion of the Major Improvements to be financed with the Phases #2 – 3 Major Improvement Bonds shall be allocated to the Phases #2 - 3 Major Improvement Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Phases #2 - 3 Major Improvement Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 70 Ft, 60 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications (from Lot Type 1 (70 Ft Lots) representing the highest value to Lot Type 3 (50 Ft Lot) representing the lowest value for residential lots are set forth in Table D-4 below. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (70 Ft Lots) to 1.0.

Table D-4
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor
Lot Type 1 (70' Lot)	\$405,000	1.00 per dwelling unit
Lot Type 2 (60' Lot)	\$355,000	0.88 per dwelling unit
Lot Type 5 (50' Lot)	\$295,000	0.73 per dwelling unit

Draft

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

Table D-5
Estimated Equivalent Units - Phase #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70' Lot)	152	1.00	152.00
Lot Type 2 (60' Lot)	147	0.88	129.36
Lot Type 3 (50' Lot)	128	0.73	93.44
Total Equivalent Units	427		374.80

The total estimated Equivalent Units for Phases #2 - 3 Major Improvement Area are shown in Table D-6 below as calculated based on the Equivalent Unit factors shown in Table D-4, estimated Lot Types and number of units estimated to be built within Phases #2 – 3 Major Improvement Area.

Table D-6
Estimated Equivalent Units - Phases #2 -3 Major Improvement Area

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70' Lot)	31	1.00	31.00
Lot Type 2 (60' Lot)	348	0.88	306.24
Lot Type 3 (50' Lot)	217	0.73	156.95
Total Equivalent Units	594		494.19

The total estimated Equivalent Units for Phase #2 are shown in Table D-7 below as calculated based on the Equivalent Unit factors shown in Table D-4, estimated Lot Types and number of units estimated to be built within Phase #2.

Table D-7
Estimated Equivalent Units - Phases #2

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70' Lot)	33	1.00	33.00
Lot Type 2 (60' Lot)	240	0.88	211.20
Lot Type 3 (50' Lot)	130	0.73	94.90
Total Equivalent Units	403		339.10

Appendix E

ALLOCATION OF ASSESSMENTS

Draft

Appendix E Allocation of Assessments

A) Allocation of Assessments to Lot Types in Phases #2 – 3 Major Improvement Area

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phases #2 – 3 Major Improvement Bonds, which represents the total Assessment to be allocated to all Parcels in the Phases #2 – 3 Major Improvement Assessed Property, is \$6,575,000. As shown in Appendix D, there are a total of 494.19 estimated Equivalent Units in Phases #2 - 3, resulting in an Assessment per Equivalent Unit of \$13,304.60.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$13,304.60 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (70 Ft Lot) dwelling unit is \$13,304.60 (i.e. $\$13,304.60 \times 1.00$). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$11,708.05 (i.e. $\$13,304.60 \times 0.88$). Table E-1 sets forth the Assessment per dwelling unit for each of the three Lot Types in Phases #2 – 3 Major Improvement Area.

**Table E-1
Assessment per Unit - Phases #2 – 3 Major Improvement Area**

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit	Total Assessments
<u>Residential</u>					
Lot Type 1	31	\$13,304.60	1.00	\$13,304.60 per dwelling unit	\$412,443
Lot Type 2	348	\$13,304.60	0.88	\$11,708.05 per dwelling unit	\$4,074,401
Lot Type 3	215	\$13,304.60	0.73	\$9,712.36 per dwelling unit	\$2,088,157
Total	594				\$6,575,000

B) Allocation of Assessments to Lot Types in Phase #1

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #1 Bonds, which represents the total Assessment to be allocated on all Parcels within Phase #1, is \$12,500,000. As shown in Appendix D, there are a total of 374.80 estimated Equivalent Units in Phase #1, resulting in an Assessment per Equivalent Unit of \$33,351.12.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$33,351.12 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (70 Ft Lot) dwelling unit is \$33,351.12 (i.e. $\$33,351.12 \times 1.00$). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$29,348.99 (i.e. $\$33,351.12 \times 0.88$). Table E-2 sets forth the Assessment per dwelling unit for each of the two Lot Types in Phase #1.

Draft

Table E-2
Assessment per Unit - Phase #1

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessment
Residential						
Lot Type 2	152	\$33,351.12	1.00	\$33,351.12	per dwelling unit	\$5,069,370
Lot Type 2	147	\$33,351.12	0.88	\$29,348.99	per dwelling unit	\$4,314,300
Lot Type 3	128	\$33,351.12	0.73	\$24,346.32	per dwelling unit	\$3,116,320
Total	427					\$12,500,000

C) Allocation of Assessments to Lot Types in Phase #2

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #2 Reimbursement Agreement, which represents the total Assessment to be allocated on all Parcels within Phase #2, is \$6,875,000. As shown in Appendix D, there are a total of 339.10 estimated Equivalent Units in Phase #2, resulting in an Assessment per Equivalent Unit of \$20,274.26.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$20,274.26 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (70 Ft Lot) dwelling unit is \$20,274.26 (i.e. $\$20,274.26 \times 1.00$). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$17,841.34 (i.e. $\$20,274.26 \times 0.88$). Table E-2 sets forth the Assessment per dwelling unit for each of the two Lot Types in Phase #2.

Table E-2
Assessment per Unit - Phase #2

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessment
Residential						
Lot Type 2	33	\$20,274.26	1.00	\$20,274.26	per dwelling unit	\$669,050
Lot Type 2	240	\$20,274.26	0.88	\$17,841.34	per dwelling unit	\$4,281,920
Lot Type 3	130	\$20,274.26	0.73	\$14,800.21	per dwelling unit	\$1,924,020
Total	403					\$6,875,000

Appendix F**ASSESSMENT ROLL –Phases #2-3 Major Improvement Assessed Property**

Appendix F
Assessment Roll - Phases #2 - 3 Assessed Property

Parcel	All Parcels
Total Assessment	\$6,575,000
Total Equivalent Units	494.19

Year	Principal and Interest ¹	Administrative Expenses ²	Total Annual Installment
1	\$80,760	\$13,150	\$93,910
2	\$484,563	\$46,288	\$530,851
3	\$484,563	\$46,556	\$531,119
4	\$484,563	\$46,830	\$531,392
5	\$609,563	\$47,109	\$656,671
6	\$601,125	\$46,769	\$647,894
7	\$617,688	\$46,434	\$664,122
8	\$607,563	\$45,980	\$653,543
9	\$597,438	\$45,532	\$642,970
10	\$612,313	\$45,090	\$657,403
11	\$600,500	\$44,530	\$645,030
12	\$613,688	\$43,975	\$657,663
13	\$599,188	\$43,302	\$642,490
14	\$609,688	\$42,636	\$652,323
15	\$618,375	\$41,851	\$660,226
16	\$600,250	\$40,948	\$641,198
17	\$607,125	\$40,052	\$647,177
18	\$612,188	\$39,038	\$651,226
19	\$615,438	\$37,906	\$653,344
20	\$591,875	\$36,657	\$628,532
21	\$592,094	\$35,415	\$627,509
22	\$615,406	\$34,056	\$649,462
23	\$609,906	\$32,455	\$642,361
24	\$602,500	\$30,736	\$633,236
25	\$593,188	\$28,901	\$622,088
26	\$606,969	\$26,949	\$633,918
27	\$591,938	\$24,755	\$616,693
28	\$0	\$0	\$0
29	\$0	\$0	\$0
30	\$0	\$0	\$0
31	\$0	\$0	\$0
Total	\$15,460,448	\$1,053,903	\$16,514,351

1 - The principal and interest amounts are based on the Series 2014 Phases #2-3 MI Bonds final numbers.

2 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and the additional 0.5% interest to be collected for prepayment reserve and delinquency reserves.

Apepdix A-3
Assessment Roll Summary - Phases #2-3
2017-18

Parcel	Estimated No. of units	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2696827	14	12.32	\$163,913	\$16,015.76	\$479.50	\$0.00	\$16,495.26
2697055	34	26.92	\$358,160	\$34,995.48	\$1,047.73	(\$1,714.83)	\$34,328.39
52660	71	56.03	\$745,457	\$72,837.92	\$2,180.70	(\$12.76)	\$75,005.86
52644	24	19.92	\$265,028	\$25,895.62	\$775.29	(\$5.01)	\$26,665.90
75817	47	37.16	\$494,399	\$48,307.29	\$1,446.28	(\$5.88)	\$49,747.68
149097	10	7.30	\$97,124	\$9,489.86	\$284.12	\$0.00	\$9,773.98
149098	3	2.19	\$29,137	\$2,846.96	\$85.24	\$0.00	\$2,932.19
530240	244	199.27	\$2,651,208	\$259,047.17	\$7,755.63	(\$3.36)	\$266,799.44
2719497	83	73.04	\$971,768	\$94,950.60	\$2,842.73	(\$5,305.51)	\$92,487.82
2718259	64	60.04	\$798,808	\$78,050.85	\$2,336.77	(\$3,842.66)	\$76,544.96
Total	594	494.19	\$6,575,000	\$642,437.50	\$19,233.98	(\$10,890.00)	\$650,781.48

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phases #2-3**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2017 TIRZ Increments	TIRZ Credit
2696827	\$ 46.01	\$ 902.59	\$ -	\$ -
2697055	\$ 3,600.31	\$ -	\$ 3,600.31	\$ 1,714.83
2-52660	\$ 26.80	\$ -	\$ 26.80	\$ 12.76
2-52644	\$ 10.51	\$ -	\$ 10.51	\$ 5.01
2-75817	\$ 12.35	\$ -	\$ 12.35	\$ 5.88
2-149097	\$ -	\$ -	\$ -	\$ -
2-149098	\$ -	\$ -	\$ -	\$ -
2-530240	\$ 95.45	\$ 88.40	\$ 7.05	\$ 3.36
2719497	\$ 11,139.01	\$ -	\$ 11,139.01	\$ 5,305.51
2718259	\$ 8,067.72	\$ -	\$ 8,067.72	\$ 3,842.66
Total	\$ 22,998.16	\$ 990.99	\$ 22,863.75	\$ 10,890.00

Appendix G**ASSESSMENT ROLL – Phase #1 Assessed Property**

Appendix G
Assessment Roll - Phase 1 Assessed Property

Parcel	All Parcels
Total Assessment	\$12,500,000
Total Equivalent Units	374.80

Year	Principal ¹	Interest ¹	Principal	Interest ²	Administrative Expenses ³	Total Annual Installment
1	\$0	\$98,156	\$0	\$34,740	\$35,000	\$167,896
2	\$0	\$588,938	\$0	\$292,125	\$79,100	\$960,163
3	\$150,000	\$588,938	\$0	\$292,125	\$79,454	\$1,110,516
4	\$150,000	\$579,375	\$0	\$292,125	\$81,456	\$1,102,956
5	\$175,000	\$569,813	\$0	\$292,125	\$91,000	\$1,127,938
6	\$175,000	\$558,656	\$0	\$254,625	\$90,425	\$1,078,706
7	\$200,000	\$547,500	\$0	\$254,625	\$89,853	\$1,091,978
8	\$200,000	\$534,750	\$0	\$254,625	\$89,159	\$1,078,534
9	\$225,000	\$522,000	\$0	\$254,625	\$88,468	\$1,090,093
10	\$225,000	\$507,656	\$0	\$254,625	\$87,655	\$1,074,937
11	\$250,000	\$493,313	\$0	\$254,625	\$86,846	\$1,084,783
12	\$250,000	\$477,375	\$0	\$254,625	\$85,914	\$1,067,914
13	\$275,000	\$461,438	\$0	\$254,625	\$84,986	\$1,076,048
14	\$300,000	\$443,906	\$0	\$254,625	\$83,936	\$1,082,467
15	\$325,000	\$424,781	\$0	\$254,625	\$82,764	\$1,087,170
16	\$325,000	\$404,063	\$25,000	\$254,625	\$81,470	\$1,090,158
17	\$350,000	\$382,531	\$25,000	\$252,928	\$80,055	\$1,090,514
18	\$375,000	\$359,344	\$25,000	\$251,230	\$78,518	\$1,089,092
19	\$400,000	\$334,500	\$25,000	\$249,533	\$76,859	\$1,085,892
20	\$425,000	\$308,000	\$25,000	\$247,835	\$75,079	\$1,080,914
21	\$450,000	\$278,250	\$25,000	\$246,138	\$73,177	\$1,072,565
22	\$500,000	\$246,750	\$25,000	\$244,440	\$71,154	\$1,087,344
23	\$525,000	\$211,750	\$25,000	\$242,743	\$69,009	\$1,073,502
24	\$550,000	\$175,000	\$50,000	\$241,045	\$66,618	\$1,082,663
25	\$600,000	\$136,500	\$25,000	\$237,650	\$64,106	\$1,063,256
26	\$650,000	\$94,500	\$25,000	\$235,953	\$61,347	\$1,066,799
27	\$700,000	\$49,000	\$25,000	\$234,255	\$58,341	\$1,066,596
28	\$0	\$0	\$775,000	\$232,558	\$55,090	\$1,062,647
29	\$0	\$0	\$825,000	\$179,935	\$51,592	\$1,056,527
30	\$0	\$0	\$875,000	\$123,918	\$47,848	\$1,046,765
31	\$0	\$0	\$950,000	\$64,505	\$43,733	\$1,058,238
Total	\$8,750,000	\$10,376,781	\$3,750,000	\$7,288,778	\$2,290,011	\$32,455,570

1 - The principal and interest amounts are based on the Series 2014 Phase #1A Bonds final numbers.

2 - The interest amounts are calculated at the Phase #1 Reimbursement Agreement interest rate of 7.79 % for years 1 through 5 and 6.79% for years 6 through 31. The interest and principal amounts will be updated at the time of Phase #1B Bonds final pricing.

3 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and the additional 0.5% interest to be collected for prepayment reserve and delinquency reserves.

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733232	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733234	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733235	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733236	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.2
2733237	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$201.60)	\$2,757.8
2733238	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.2
2733239	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733240	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733241	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733242	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733244	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733245	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733246	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733247	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733248	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733249	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733250	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2733251	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733252	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733253	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733254	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$185.86)	\$1,974.5
2733255	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$185.86)	\$1,974.5
2733256	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$178.00)	\$1,982.3
2733257	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$193.73)	\$1,966.6
2733258	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733259	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733260	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733261	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733262	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733263	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733264	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733265	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733266	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733267	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733268	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733269	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733270	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733271	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733272	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733273	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733274	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.2
2733275	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733276	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733277	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733278	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733279	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733280	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733281	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733282	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733283	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733284	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733285	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733286	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733287	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733288	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733289	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733290	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733291	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733292	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733293	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733294	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733295	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733296	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733297	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733298	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$201.60)	\$2,402.6
2733299	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733300	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733301	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733302	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733303	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733304	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$170.14)	\$2,434.1
2733305	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$178.00)	\$2,426.2
2733306	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733307	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733308	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$178.00)	\$2,781.4
2733309	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$201.60)	\$2,757.8
2733310	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733311	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733312	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733313	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.2
2733314	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$209.46)	\$2,749.9
2733315	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$178.00)	\$2,781.4
2733316	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2733317	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733318	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733319	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733320	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733321	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733322	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733323	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733324	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733325	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733326	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$185.86)	\$2,773.51
2733327	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$217.32)	\$2,742.05
2733328	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733329	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733330	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$178.00)	\$2,781.41
2733331	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$193.73)	\$2,765.64
2733332	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$178.00)	\$2,781.41
2733333	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733334	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733335	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733336	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733337	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733338	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$185.86)	\$2,773.51
2733339	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733340	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733341	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733342	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733343	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733344	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733345	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733346	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733347	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733348	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733349	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733350	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733351	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733352	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733353	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733354	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733355	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733356	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733357	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733358	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733359	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733360	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733361	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733362	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733363	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733364	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$178.00)	\$2,781.44
2733365	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$193.73)	\$2,765.64
2733366	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733367	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$193.73)	\$2,765.64
2733368	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$217.32)	\$2,742.05
2733369	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$193.73)	\$2,765.64
2733370	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$193.73)	\$2,765.64
2733371	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733372	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733373	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$185.86)	\$2,773.51
2733374	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$185.86)	\$2,773.51
2733375	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733376	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$209.46)	\$2,749.91
2733377	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$185.86)	\$2,773.51
2733378	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$201.60)	\$2,757.81
2733379	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733380	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733381	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.14
2733382	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$170.14)	\$2,789.22
2733383	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733384	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733385	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733386	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733387	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.22
2733388	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$185.86)	\$1,974.51
2733389	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733390	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733391	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733392	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733393	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733394	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733395	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733396	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733397	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733398	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.64
2733399	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.81
2733400	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.81
2733401	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.81

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733402	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733403	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733404	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733405	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733406	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733407	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733408	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733409	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733410	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733411	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733412	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$193.73)	\$1,966.60
2733413	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.20
2733414	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$193.73)	\$1,966.60
2733415	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.20
2733416	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733417	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733418	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733419	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733420	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733421	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733422	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733423	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733424	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733425	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733426	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733427	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733428	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733429	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733430	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733431	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.60
2733432	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733433	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733434	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.90
2733435	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733436	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.88
2733437	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733438	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733439	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.10
2733440	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.90
2733441	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$201.60)	\$1,958.70
2733442	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$170.14)	\$1,990.20
2733443	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$201.60)	\$1,958.70

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2733444	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733445	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733446	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733447	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733448	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2733449	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$154.40)	\$2,005.9
2733450	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$201.60)	\$1,958.7
2733451	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2733452	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.6
2733453	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.6
2733454	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$146.54)	\$2,013.8
2726852	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2726853	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.27)	\$2,797.1
2726854	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$138.68)	\$2,021.6
2726855	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$122.95)	\$2,037.4
2726856	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$178.00)	\$1,982.3
2726857	1	3	0.73	\$23,762.01	\$2,101.94	\$58.43	(\$162.27)	\$1,998.1
2726858	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$154.40)	\$2,449.8
2726859	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$154.40)	\$2,449.8
2726860	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$178.00)	\$2,426.2
2726861	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726862	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726865	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.4
2726866	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.7
2726867	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0
2726868	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.6
2726869	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.6
2726870	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.6
2726871	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.3
2726872	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0
2726873	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726874	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726875	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726876	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726877	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2726878	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.7
2726879	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.7
2726880	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$233.79)	\$2,725.6
2726881	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$224.08)	\$2,735.3
2726882	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$233.79)	\$2,725.6
2726883	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$214.37)	\$2,745.0
2726884	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.7

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2726885	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.74
2726886	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726887	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726888	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$243.50)	\$2,715.90
2726889	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$214.37)	\$2,745.00
2726890	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726891	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726892	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726893	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726894	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726895	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726896	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726897	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$214.37)	\$2,745.00
2726898	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$224.08)	\$2,735.30
2726899	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726900	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.74
2726901	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.60
2726902	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.30
2726903	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726904	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726905	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726906	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726907	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.60
2726908	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.30
2726909	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726910	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726911	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726912	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726913	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726914	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726915	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726916	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726917	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726918	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726919	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726920	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726921	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$194.96)	\$2,764.44
2726922	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$204.67)	\$2,754.74
2726923	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726924	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726925	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70
2726926	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.70

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2726927	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726928	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726929	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726930	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726931	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726932	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726933	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726934	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726935	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726936	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726937	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726938	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726939	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726940	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726941	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726942	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.6
2726943	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0
2726944	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$204.67)	\$2,399.6
2726945	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726946	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726947	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726948	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726949	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726950	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726951	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726952	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$214.37)	\$2,389.9
2726953	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$224.08)	\$2,380.2
2726954	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.3
2726955	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0
2726956	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.3
2726957	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0
2726958	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726959	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726960	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726961	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726962	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.3
2726963	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$214.37)	\$2,389.9
2726964	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726965	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726966	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726967	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.7
2726968	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$185.25)	\$2,419.0

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2726969	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726970	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726971	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726972	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726973	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726974	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726975	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726976	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726977	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.33
2726978	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726979	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726980	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726981	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726982	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726983	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$175.54)	\$2,428.77
2726984	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$194.96)	\$2,409.33
2732817	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732818	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732819	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732820	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732821	0	N/A	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2732931	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732932	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732933	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732934	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732935	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732936	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732937	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732938	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732939	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732940	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732941	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732942	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732943	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732944	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732945	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732946	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732947	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732948	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732949	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732950	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732951	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2732952	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732953	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732954	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732955	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732956	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732957	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732958	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732959	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732960	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732961	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732962	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732963	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732964	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732965	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732966	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732967	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732968	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732969	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732970	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732971	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732972	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732973	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732974	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732975	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732976	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732977	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732978	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732979	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732980	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732981	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732982	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732983	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732984	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732985	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732986	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732987	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732988	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732989	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732990	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.66
2732991	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732992	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732993	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80

Appendix A-2
Assessment Roll Summary - Phase #1
2017-18

Parcel	Estimated No. of units	Lot Type	Total Equivalent Units	Total Assessment	Annual Assessment	Administrative Expenses	TIRZ Credit	Annual Installment
2732994	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732995	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732996	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732997	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732998	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2732999	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733000	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733001	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733002	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733003	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733004	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733005	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733006	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733007	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733008	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733009	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733010	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733011	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733012	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733013	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733014	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733017	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2733018	1	2	0.88	\$28,644.61	\$2,533.84	\$70.44	(\$162.61)	\$2,441.67
2733019	1	1	1.00	\$32,550.69	\$2,879.37	\$80.04	(\$162.61)	\$2,796.80
2697055	0		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	427		374.80	\$12,200,000	\$1,079,187.50	\$30,000.00	(\$72,153.51)	\$1,037,033.99

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2726852	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2726853	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2726854	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2726855	\$ 297.22	\$ 39.09	\$ 258.13	\$ 122.95
2726856	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2726857	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2726858	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2726859	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2726860	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2726861	\$ 6.45	\$ -	\$ 6.45	\$ -
2726862	\$ 6.45	\$ -	\$ 6.45	\$ -
2726865	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726866	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726867	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726868	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726869	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726870	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726871	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726872	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726873	\$ 6.45	\$ -	\$ 6.45	\$ -
2726874	\$ 6.45	\$ -	\$ 6.45	\$ -
2726875	\$ 6.45	\$ -	\$ 6.45	\$ -
2726876	\$ 6.45	\$ -	\$ 6.45	\$ -
2726877	\$ 6.45	\$ -	\$ 6.45	\$ -
2726878	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726879	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726880	\$ 529.93	\$ 39.09	\$ 490.84	\$ 233.79
2726881	\$ 509.55	\$ 39.09	\$ 470.46	\$ 224.08
2726882	\$ 529.93	\$ 39.09	\$ 490.84	\$ 233.79
2726883	\$ 489.17	\$ 39.09	\$ 450.08	\$ 214.37
2726884	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726885	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726886	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726887	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726888	\$ 550.31	\$ 39.09	\$ 511.22	\$ 243.50
2726889	\$ 489.17	\$ 39.09	\$ 450.08	\$ 214.37

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2726890	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726891	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726892	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726893	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726894	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726895	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726896	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726897	\$ 489.17	\$ 39.09	\$ 450.08	\$ 214.37
2726898	\$ 509.55	\$ 39.09	\$ 470.46	\$ 224.08
2726899	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726900	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726901	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726902	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726903	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726904	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726905	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726906	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726907	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726908	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726909	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726910	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726911	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726912	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726913	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726914	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726915	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726916	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726917	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726918	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726919	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726920	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726921	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726922	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726923	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726924	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726925	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726926	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2726927	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726928	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726929	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726930	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726931	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726932	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726933	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726934	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726935	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726936	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726937	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726938	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726939	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726940	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726941	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726942	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726943	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726944	\$ 468.79	\$ 39.09	\$ 429.70	\$ 204.67
2726945	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726946	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726947	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726948	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726949	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726950	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726951	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726952	\$ 489.17	\$ 39.09	\$ 450.08	\$ 214.37
2726953	\$ 509.55	\$ 39.09	\$ 470.46	\$ 224.08
2726954	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726955	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726956	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726957	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726958	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726959	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726960	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726961	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726962	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726963	\$ 489.17	\$ 39.09	\$ 450.08	\$ 214.37

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2726964	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726965	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726966	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726967	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726968	\$ 428.02	\$ 39.09	\$ 388.93	\$ 185.25
2726969	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726970	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726971	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726972	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726973	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726974	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726975	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726976	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726977	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2726978	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726979	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726980	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726981	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726982	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726983	\$ 407.64	\$ 39.09	\$ 368.55	\$ 175.54
2726984	\$ 448.40	\$ 39.09	\$ 409.31	\$ 194.96
2732817	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732818	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732819	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732820	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732821	\$ 6.45	\$ -	\$ 6.45	\$ -
2732931	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732932	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732933	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732934	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732935	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732936	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732937	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732938	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732939	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732940	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732941	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2732942	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732943	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732944	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732945	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732946	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732947	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732948	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732949	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732950	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732951	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732952	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732953	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732954	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732955	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732956	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732957	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732958	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732959	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732960	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732961	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732962	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732963	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732964	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732965	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732966	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732967	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732968	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732969	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732970	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732971	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732972	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732973	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732974	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732975	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732976	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732977	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732978	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2732979	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732980	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732981	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732982	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732983	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732984	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732985	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732986	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732987	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732988	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732989	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732990	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732991	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732992	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732993	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732994	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732995	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732996	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732997	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732998	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2732999	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733000	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733001	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733002	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733003	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733004	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733005	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733006	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733007	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733008	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733009	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733010	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733011	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733012	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733013	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733014	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733017	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733018	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733019	\$ 380.49	\$ 39.09	\$ 341.40	\$ 162.61
2733232	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733234	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733235	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733236	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733237	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733238	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733239	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733240	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733241	\$ 6.45	\$ -	\$ 6.45	\$ -
2733242	\$ 6.45	\$ -	\$ 6.45	\$ -
2733244	\$ 6.45	\$ -	\$ 6.45	\$ -
2733245	\$ 6.45	\$ -	\$ 6.45	\$ -
2733246	\$ 6.45	\$ -	\$ 6.45	\$ -
2733247	\$ 6.45	\$ -	\$ 6.45	\$ -
2733248	\$ 6.45	\$ -	\$ 6.45	\$ -
2733249	\$ 6.45	\$ -	\$ 6.45	\$ -
2733250	\$ 6.45	\$ -	\$ 6.45	\$ -
2733251	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733252	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733253	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733254	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733255	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733256	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733257	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733258	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733259	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733260	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733261	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733262	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733263	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733264	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733265	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733266	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733267	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733268	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733269	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733270	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733271	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733272	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733273	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733274	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733275	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733276	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733277	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733278	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733279	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733280	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733281	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733282	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733283	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733284	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733285	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733286	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733287	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733288	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733289	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733290	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733291	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733292	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733293	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733294	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733295	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733296	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733297	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733298	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733299	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733300	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733301	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733302	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733303	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733304	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733305	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733306	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733307	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733308	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733309	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733310	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733311	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733312	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733313	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733314	\$ 478.85	\$ 39.09	\$ 439.76	\$ 209.46
2733315	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733316	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733317	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733318	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733319	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733320	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733321	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733322	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733323	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733324	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733325	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733326	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733327	\$ 495.36	\$ 39.09	\$ 456.27	\$ 217.32
2733328	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733329	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733330	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733331	\$ 445.82	\$ 39.09	\$ 406.74	\$ 193.73
2733332	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733333	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733334	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733335	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733336	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733337	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733338	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733339	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733340	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733341	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733342	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733343	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733344	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733345	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733346	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733347	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733348	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733349	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733350	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733351	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733352	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733353	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733354	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733355	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733356	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733357	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733358	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733359	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733360	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733361	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733362	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733363	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733364	\$ 412.80	\$ 39.09	\$ 373.71	\$ 178.00
2733365	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733366	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733367	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733368	\$ 495.36	\$ 39.09	\$ 456.27	\$ 217.32
2733369	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733370	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733371	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733372	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733373	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733374	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733375	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733376	\$ 478.85	\$ 39.09	\$ 439.76	\$ 209.46
2733377	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733378	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733379	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733380	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733381	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733382	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733383	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733384	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733385	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733386	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733387	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733388	\$ 429.31	\$ 39.09	\$ 390.22	\$ 185.86
2733389	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733390	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733391	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733392	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733393	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733394	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733395	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733396	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733397	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733398	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733399	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733400	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733401	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733402	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733403	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733404	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733405	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733406	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733407	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733408	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733409	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733410	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733411	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733412	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733413	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733414	\$ 445.82	\$ 39.09	\$ 406.73	\$ 193.73
2733415	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733416	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733417	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733418	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733419	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733420	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733421	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733422	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733423	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733424	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733425	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733426	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733427	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733428	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733429	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733430	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733431	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733432	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733433	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733434	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733435	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733436	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733437	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733438	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733439	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733440	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733441	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733442	\$ 396.29	\$ 39.09	\$ 357.20	\$ 170.14
2733443	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733444	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733445	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733446	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733447	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733448	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
2733449	\$ 363.26	\$ 39.09	\$ 324.17	\$ 154.40
2733450	\$ 462.34	\$ 39.09	\$ 423.25	\$ 201.60
2733451	\$ 379.78	\$ 39.09	\$ 340.69	\$ 162.27
2733452	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68
2733453	\$ 330.24	\$ 39.09	\$ 291.15	\$ 138.68

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

**Creeks of Legacy PID
(TIRZ No. 2)
TIRZ Credit Calculations - 2017
Phase #1**

Property ID (PIDN)	City Taxes (2016)	Base Year Taxes	2016-17 TIRZ Increments	2017-18 TIRZ Credit 47.63%
2733454	\$ 346.75	\$ 39.09	\$ 307.66	\$ 146.54
Total	\$ 168,287.04	\$ 16,689.87	\$ 151,597.18	\$ 72,153.51

Appendix H

ASSESSMENT ROLL – Phase #2 Assessed Property

Attachment: Creeks of Legacy Celina PID - SAP Updated for Phase #2- v 3.1.1-upd - Copy (2018 - 39 : Creeks of Legacy PID Ph 1b Bond Ord)

Appendix H

Assessment Roll - Phase 2 Assessed Property

Parcel	All Parcels
Total Assessment	\$6,875,000
Total Equivalent Units	339.10

Year	Principal ¹	Interest ¹	Administrative Expenses ²	Total Annual Installment
2018	\$0	\$402,188	\$35,000	\$437,188
2019	\$32,000	\$402,188	\$35,350	\$469,538
2020	\$40,000	\$400,316	\$35,704	\$476,019
2021	\$47,000	\$397,976	\$36,061	\$481,036
2022	\$56,000	\$395,226	\$30,000	\$481,226
2023	\$64,000	\$391,950	\$30,300	\$486,250
2024	\$74,000	\$388,206	\$30,603	\$492,809
2025	\$84,000	\$383,877	\$30,909	\$498,786
2026	\$95,000	\$378,963	\$31,218	\$505,181
2027	\$107,000	\$373,406	\$31,530	\$511,936
2028	\$119,000	\$367,146	\$31,846	\$517,992
2029	\$132,000	\$360,185	\$32,164	\$524,349
2030	\$146,000	\$352,463	\$32,486	\$530,948
2031	\$161,000	\$343,922	\$32,811	\$537,732
2032	\$178,000	\$334,503	\$33,139	\$545,642
2033	\$195,000	\$324,090	\$33,470	\$552,560
2034	\$213,000	\$312,683	\$33,805	\$559,487
2035	\$233,000	\$300,222	\$34,143	\$567,365
2036	\$254,000	\$286,592	\$34,484	\$575,076
2037	\$276,000	\$271,733	\$34,829	\$582,562
2038	\$300,000	\$255,587	\$35,177	\$590,764
2039	\$325,000	\$238,037	\$35,529	\$598,566
2040	\$352,000	\$219,024	\$35,884	\$606,908
2041	\$381,000	\$198,432	\$36,243	\$615,675
2042	\$412,000	\$176,144	\$36,606	\$624,749
2043	\$445,000	\$152,042	\$36,972	\$634,013
2044	\$480,000	\$126,009	\$37,341	\$643,350
2045	\$517,000	\$97,929	\$37,715	\$652,644
2046	\$557,000	\$67,685	\$38,092	\$662,777
2047	\$600,000	\$35,100	\$38,473	\$673,573
Total	\$6,875,000	\$8,733,816	\$1,027,883	\$16,636,699

1 - The principal and interest are estimated using 5.85% and will be updated at the time of bond pricing.

The interest amounts include 0.5% additional interest for Prepayment Reserve and Delinquency Reserve.

2 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and will be updated each year in Annual Service Plan Updates.

Appendix H

Assessment Roll - Phase 2 Assessed Property

Parcel	Lot Type 1 (70' Lot)
Total Assessment	\$20,274
Total Equivalent Units	1.00

Year	Principal ¹	Interest ¹	Administrative Expenses ³	Total Annual Installment
2018	\$0	\$1,186	\$103	\$1,289
2019	\$94	\$1,186	\$104	\$1,385
2020	\$118	\$1,181	\$105	\$1,404
2021	\$139	\$1,174	\$106	\$1,419
2022	\$165	\$1,166	\$88	\$1,419
2023	\$189	\$1,156	\$89	\$1,434
2024	\$218	\$1,145	\$90	\$1,453
2025	\$248	\$1,132	\$91	\$1,471
2026	\$280	\$1,118	\$92	\$1,490
2027	\$316	\$1,101	\$93	\$1,510
2028	\$351	\$1,083	\$94	\$1,528
2029	\$389	\$1,062	\$95	\$1,546
2030	\$431	\$1,039	\$96	\$1,566
2031	\$475	\$1,014	\$97	\$1,586
2032	\$525	\$986	\$98	\$1,609
2033	\$575	\$956	\$99	\$1,629
2034	\$628	\$922	\$100	\$1,650
2035	\$687	\$885	\$101	\$1,673
2036	\$749	\$845	\$102	\$1,696
2037	\$814	\$801	\$103	\$1,718
2038	\$885	\$754	\$104	\$1,742
2039	\$958	\$702	\$105	\$1,765
2040	\$1,038	\$646	\$106	\$1,790
2041	\$1,124	\$585	\$107	\$1,816
2042	\$1,215	\$519	\$108	\$1,842
2043	\$1,312	\$448	\$109	\$1,870
2044	\$1,416	\$372	\$110	\$1,897
2045	\$1,525	\$289	\$111	\$1,925
2046	\$1,643	\$200	\$112	\$1,955
2047	\$1,769	\$104	\$113	\$1,986
Total	\$20,274	\$25,756	\$3,031	\$49,061

1 - The principal and interest are estimated using 5.85% and will be updated at the time of bond pricing.
The interest amounts include 0.5% additional interest for Prepayment Reserve and Delinquency Reserve.

2 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and will be updated each year in Annual Service Plan Updates.

Appendix H
Assessment Roll - Phase 2 Assessed Property

Parcel	Lot Type 2 (60' Lot)
Total Assessment	\$17,841
Total Equivalent Units	0.88

Year	Principal ¹	Interest ¹	Administrative Expenses ³	Total Annual Installment
2018	\$0	\$1,044	\$91	\$1,135
2019	\$83	\$1,044	\$92	\$1,218
2020	\$104	\$1,039	\$93	\$1,235
2021	\$122	\$1,033	\$94	\$1,248
2022	\$145	\$1,026	\$78	\$1,249
2023	\$166	\$1,017	\$79	\$1,262
2024	\$192	\$1,007	\$79	\$1,279
2025	\$218	\$996	\$80	\$1,294
2026	\$247	\$983	\$81	\$1,311
2027	\$278	\$969	\$82	\$1,329
2028	\$309	\$953	\$83	\$1,344
2029	\$343	\$935	\$83	\$1,361
2030	\$379	\$915	\$84	\$1,378
2031	\$418	\$893	\$85	\$1,395
2032	\$462	\$868	\$86	\$1,416
2033	\$506	\$841	\$87	\$1,434
2034	\$553	\$811	\$88	\$1,452
2035	\$605	\$779	\$89	\$1,472
2036	\$659	\$744	\$89	\$1,492
2037	\$716	\$705	\$90	\$1,512
2038	\$779	\$663	\$91	\$1,533
2039	\$843	\$618	\$92	\$1,553
2040	\$913	\$568	\$93	\$1,575
2041	\$989	\$515	\$94	\$1,598
2042	\$1,069	\$457	\$95	\$1,621
2043	\$1,155	\$395	\$96	\$1,645
2044	\$1,246	\$327	\$97	\$1,670
2045	\$1,342	\$254	\$98	\$1,694
2046	\$1,445	\$176	\$99	\$1,720
2047	\$1,557	\$91	\$100	\$1,748
Total	\$17,841	\$22,665	\$2,667	\$43,174

1 - The principal and interest are estimated using 5.85% and will be updated at the time of bond pricing.
The interest amounts include 0.5% additional interest for Prepayment Reserve and Delinquency Reserve.

2 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and will be updated each year in Annual Service Plan Updates.

Appendix H

Assessment Roll - Phase 2 Assessed Property

Parcel	Lot Type 3 (50' Lot)
Total Assessment	\$14,800
Total Equivalent Units	0.73

Year	Principal ¹	Interest ¹	Administrative Expenses ³	Total Annual Installment
2018	\$0	\$866	\$75	\$941
2019	\$69	\$866	\$76	\$1,011
2020	\$86	\$862	\$77	\$1,025
2021	\$101	\$857	\$78	\$1,036
2022	\$121	\$851	\$65	\$1,036
2023	\$138	\$844	\$65	\$1,047
2024	\$159	\$836	\$66	\$1,061
2025	\$181	\$826	\$67	\$1,074
2026	\$205	\$816	\$67	\$1,088
2027	\$230	\$804	\$68	\$1,102
2028	\$256	\$790	\$69	\$1,115
2029	\$284	\$775	\$69	\$1,129
2030	\$314	\$759	\$70	\$1,143
2031	\$347	\$740	\$71	\$1,158
2032	\$383	\$720	\$71	\$1,175
2033	\$420	\$698	\$72	\$1,190
2034	\$459	\$673	\$73	\$1,204
2035	\$502	\$646	\$74	\$1,221
2036	\$547	\$617	\$74	\$1,238
2037	\$594	\$585	\$75	\$1,254
2038	\$646	\$550	\$76	\$1,272
2039	\$700	\$512	\$76	\$1,289
2040	\$758	\$472	\$77	\$1,307
2041	\$820	\$427	\$78	\$1,325
2042	\$887	\$379	\$79	\$1,345
2043	\$958	\$327	\$80	\$1,365
2044	\$1,033	\$271	\$80	\$1,385
2045	\$1,113	\$211	\$81	\$1,405
2046	\$1,199	\$146	\$82	\$1,427
2047	\$1,292	\$76	\$83	\$1,450
Total	\$14,800	\$18,802	\$2,213	\$35,815

1 - The principal and interest are estimated using 5.85% and will be updated at the time of bond pricing.
The interest amounts include 0.5% additional interest for Prepayment Reserve and Delinquency Reserve.

2 - The Administrative Expenses shown include the estimated district administration and assessment collection costs and will be updated each year in Annual Service Plan Updates.



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Paul DeBuff, Assistant to the City Manager
 CC: Jason Laumer, City Manager
 Date: August 14, 2018
 Re: Westgate Plat Fees: Legend Contracting

Action Requested:

Consider and act to authorize the City Manager to execute an agreement by and between the City of Celina and Legend Contracting, Inc. regarding impact fee assessments. (Westgate Impact Fees) (Laumer)

Background Information:

This agreement between the City of Celina and Legend Contracting, Inc. establishes capital fee assessments, for the purpose of encouraging economic and community development, on 12 lots in the Westgate subdivision as follows:

Roadway:	\$2,500.00 per lot
Water:	\$2,000.00 per lot
Wastewater:	\$2,000.00 per lot
Technology:	\$500.00 per lot

Additionally, total Building Permit fees and Capital fee assessments due at time of permit for the above referenced 12-lot development will be capped at \$14,500 for each lot.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

- Letter establishing fees
- Westgate plat

Staff Recommendation:
Staff recommends approval.

August 14, 2018

Don D'Amico
Legend Contracting, Inc
608 West Main Street
Celina, Texas 75009

**Re: Capital Fees for Westgate
Section Four comprising 2.521 Acres**

Dear Mr. D'Amico:

This letter will serve to memorialize an agreement between Legend Contracting, Inc. and the City of Celina, Texas (the "City") regarding capital fee assessments on 12 lots in the above-referenced subdivision. Your development is subject to roadway, water, and wastewater fees assessed and collected by the City. Those fees are set forth in the City's subdivision ordinance and fee schedule. For the purpose of encouraging economic and community development, the City has agreed to a capital fee schedule per lot as follows:

Roadway:	\$2,500.00 per lot
Water:	\$2,000.00 per lot
Wastewater:	\$2,000.00 per lot
Technology:	\$500.00 per lot

By signing below, you confirm and agree that the charges are lawful and roughly proportional to the demand being placed upon city infrastructure by your development. This agreement only addresses capital fees and does not relieve you of any other development related charges, including but not limited to building permit fees, except for below.

Total Building Permit fees and Capital fee assessments due at time of permit for the above referenced 12-lot development will be capped at \$14,500 for each lot.

If you are agreeable to these terms and this writing comports with your understanding, please acknowledge below. Thank you for your attention to this matter.

Sincerely,

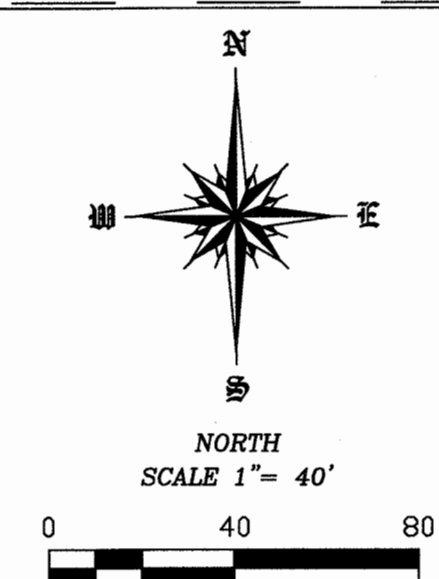
Jason Laumer

JL/ajl

Agreed:

Don D'Amico
Title: _____
Legend Contracting, Inc.

Attachment: Westgate Plat Agreement MASTER (Westgate Plat Fees: Legend Contracting)



LEGEND

C.M. = CONTROLLING MONUMENT
= POWER POLE
= GUYWIRE
= SANITARY SEWER MANHOLE
= GAS METER
= WATER VALVE
= HYDRANT

NOTES:
BEARING SHOWN ARE BASED ON THE FINAL
PLAT OF WESTGATE ADDITION SECTION THREE
RECORDED IN CABINET E, PAGE 749

LINE	BEARING	DISTANCE
L1	S 89°22'54" E	20.00'
L2	N 00°24'51" E	20.00'
L3	N 05°43'21" E	15.06'

PROPERTY LOCATION STATEMENT:

This property is located in the corporate limits of the City of Celina, Collin County, Texas.

Signature of Mayor 5-9-17
Date of Approval

ATTEST: Cheli Tancher 06/06/2017
City Secretary Date

RECOMMENDED BY: _____ PLANNING AND ZONING COMMISSION
CITY OF CELINA, TEXAS

SIGNATURE OF CHAIRPERSON: [Signature] DATE OF RECOMMENDATION: 6-13-17

APPROVED BY: _____ CITY COUNCIL CITY OF CELINA, TEXAS


 SIGNATURE OF MAYOR DATE OF APPROVAL
 _____ 5-9-17 _____

ATTEST: Vicki Faulkner 06/06/07
CITY SECRETARY DATE

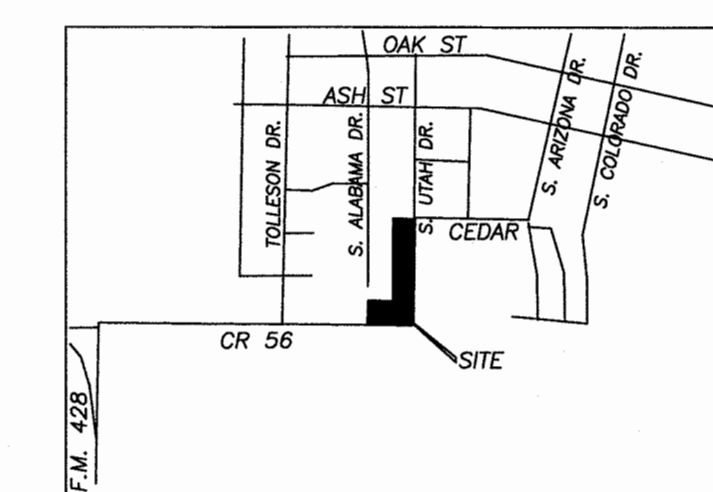
PURPOSE OF THIS PLAT:

The purpose of the replat is create XX lots.

FLOOD NOTE:

THIS TRACT DOES NOT FALL WITHIN THE 100 YEAR FLOOD PLAIN ACCORDING TO THE FLOOD INSURANCE RATE MAP, PANEL NO. 48085C0110J, REVISED JUNE 2, 2009 AS PUBLISHED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY.

FROM:
R-6644-000-0030-1 / 2.236 AC
FOR TAX YEAR 2018



LOCATION MAP



**FINAL PLAT
WESTGATE SECTION FOUR
2.521 ACRES
M.E.P. & P. RY. SURVEY
ABSTRACT NO. 644
CITY OF CELINA
COLLIN COUNTY, TEXAS**

S11294

OWNER
LEWIS DICKERSON
1130 N LOUISIANA DR.
CELINA, TEXAS 75009
(972) 382-2123

SURVEYOR
SURDUKAN SURVEYING, INC.
P.O. BOX 126
ANNA, TEXAS 75409
(972) 924-8200
TEXAS FIRM NO. 10069500

CITY OF CELINA CASE NO.

SCALE 1" = 40' SHEET 1 OF 2 DATE: APRIL 12, 2017 JOB No. 2014-14

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
06/20/2017 08:36:56 AM
\$41.00 CJAMAL
2017062001002930

2017. 469
SpacyKemp



11294-2

STATE OF TEXAS
COUNTY OF COLLIN

WHEREAS Jerry Dickerson Executor of Estate of Lynda S. Stambaugh, Jerry J Dickerson, Zachary Stambaugh, Natalie Stambaugh and Lewis Dickerson are the Owners of a tract of land situated in the M.E.P. & P. RY. Survey, Abstract No. 644, City of Celina, Collin County, Texas, and being part of a 12.625 acre tract as recorded in Volume 1334, Page 890, Deed Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a capped (4613) 1/2 inch iron rod set for corner in the east line of of Lot 6, Westgate Addition Section Three, according to the plat thereof recorded in Cabinet F, Page 749, Plat Records, Collin County, Texas, said iron rod being North 00 degrees 25 minutes 00 seconds East a distance of 14.71' from the southeast corner of said Lot 5;

THENCE North 00 degrees 25 minutes 00 seconds East following the east line of said Lot 5 a distance of 111.01 feet to a "X" cut set for corner at the southwest corner of Lot 6 of said addition;

THENCE South 89 degrees 22 minutes 54 seconds East following the south line of said Lot 6 and Lot 7 of said addition a distance of 162.00 feet to a capped (4613) 1/2 inch iron rod set for corner;

THENCE North 00 degrees 24 minutes 51 seconds East following the east line of said Lot 7 a distance of 123.83 feet to a capped (4613) 1/2 inch iron rod set for corner;

THENCE South 89 degrees 22 minutes 54 seconds East a distance of 20.00 feet to a capped (4613) 1/2 inch iron rod set for corner;

THENCE North 00 degrees 24 minutes 51 seconds East a distance of 20.00 feet to a capped (4613) 1/2 inch iron rod set at the southeast corner of a 15' alley;

THENCE North 5 degrees 43 minutes 21 seconds East following the east end of said alley a distance of 15.06 feet to a capped (4613) 1/2 inch iron rod set at the northeast corner of said alley;

THENCE North 00 degrees 25 minutes 00 seconds East following the east line of said Westgate Addition No. Three passing at 339.59 feet the northeast corner of said Westgate Addition Section No. Three and the southeast corner of Westgate Addition Section No. Two in all a distance of 384.85 feet to a capped (4613) 1/2 inch iron rod set for corner at the southwest corner of Westgate Addition Section One;

THENCE South 89 degrees 34 minutes 13 seconds East following the south line of said Westgate Addition Section One a distance of 132.50 feet to a capped (4613) 1/2 inch iron rod set for corner in the west line of South Utah Street/County Road No. 56;

THENCE South 00 degrees 24 minutes 33 seconds West following the west ROW line of said South Utah Street/County Road No. 56 a distance of 654.79 feet to a capped 1/2 inch iron rod found for corner;

THENCE North 89 degrees 26 minutes 32 seconds West following the north ROW line of West Sunset Blvd./County Road No. 56 a distance of 315.97 feet to the POINT OF BEGINNING and containing 109,795 square feet or 2.521 acres of land.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That Jerry Dickerson Executor of Estate of Lynda S. Stambaugh, Jerry J Dickerson, Zachary Stambaugh, Natalie Stambaugh and Lewis Dickerson, does hereby adopt this plat designating the herein above described property as Westgate Section Four, an addition to the City of Celina, Texas, and does hereby dedicate, in fee simple to the public use forever, the streets, rights-of-way, and there public improvements shown thereon. The streets and alleys, if any, are dedicated for street purposes. The easements and public use areas, as shown, are dedicated, for the public use forever, for the purposes indicated on this plat. No buildings, fences, trees, shrubs or other improvements or growths shall be constructed or placed upon, over or across the easements as shown, except that landscape improvements may be placed on landscape easements, if approved by the City Council of the City of Celina. In addition, utility easements may also be used for the mutual use and accommodation of all public utilities desiring to use or using the same unless the easement limits the use to particular utilities, said use by public utilities being subordinate to the public's and City of Celina's use thereof. The City of Celina and public utility entities shall have the right to remove and keep removed all or parts of any buildings, fences, trees, shrubs or other improvements or growths which may in any way endanger or interfere with the construction, maintenance, or efficiency of their respective systems in said easements. The City of Celina and public utility entities shall at all times have the full right ingress and egress to or from their respective easements for the purpose of constructing, constructing, inspecting, patrolling, maintaining, reading meters, and adding to or removing all or parts of their respective systems without the necessity at any time procuring permission from anyone. This plat approved subject to all platting ordinances, rules, regulations and resolutions of the City of Celina, Texas.

WITNESS, my hand this the 14th day of June, 2017

BY:

Lewis Dickerson, Owner

STATE OF TEXAS
COUNTY OF COLLIN

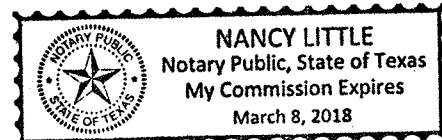
Before me, the undersigned authority, a Notary public in and for the State of Texas, on this day personally appeared Lewis Dickerson, Owner, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and considerations therein expressed.

Given under my seal of office, this 14th day of June, 2017.

Nancy Little

Notary Public in and for the State of Texas

My Commission Expires On: 3-8-18



PURPOSE OF THIS PLAT:

The purpose of the replat is create XX lots.

FLOOD NOTE:

THIS TRACT DOES NOT FALL WITHIN THE 100 YEAR FLOOD PLAIN ACCORDING TO THE FLOOD INSURANCE RATE MAP, PANEL NO. 48085C0110J, REVISED JUNE 2, 2009 AS PUBLISHED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY.

WITNESS, my hand this the 14th day of June, 2017

BY:

Jerry Dickerson
Jerry Dickerson, Executor of Estate
of Lynda S. Stambaugh

STATE OF TEXAS
COUNTY OF COLLIN

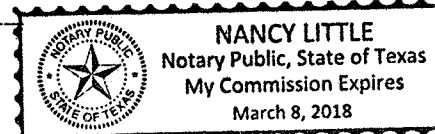
Before me, the undersigned authority, a Notary public in and for the State of Texas, on this day personally appeared Jerry Dickerson, Executor of Estate of Lynda S. Stambaugh, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and considerations therein expressed.

Given under my seal of office, this 14th day of June, 2017.

Nancy Little

Notary Public in and for the State of Texas

My Commission Expires On: 3-8-18



WITNESS, my hand this the 14th day of June, 2017

BY:

Jerry Dickerson
Jerry J Dickerson, Owner

STATE OF TEXAS
COUNTY OF COLLIN

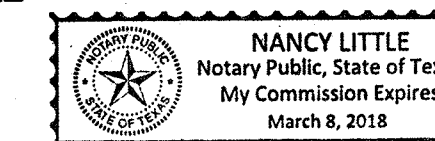
Before me, the undersigned authority, a Notary public in and for the State of Texas, on this day personally appeared Jerry J Dickerson, Owner, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and considerations therein expressed.

Given under my seal of office, this 14th day of June, 2017.

Nancy Little

Notary Public in and for the State of Texas

My Commission Expires On: 3-8-18



WITNESS, my hand this the 14th day of June, 2017

BY:

Zach Stambaugh
Zachary Stambaugh, Owner

STATE OF TEXAS
COUNTY OF COLLIN

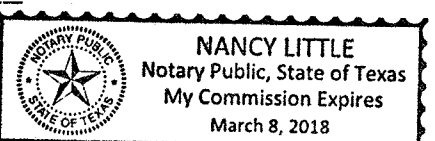
Before me, the undersigned authority, a Notary public in and for the State of Texas, on this day personally appeared Zachary Stambaugh, Owner, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and considerations therein expressed.

Given under my seal of office, this 14th day of June, 2017.

Nancy Little

Notary Public in and for the State of Texas

My Commission Expires On: 3-8-18



WITNESS, my hand this the 14th day of June, 2017

BY:

Natalie Stambaugh
Natalie Stambaugh, Owner

STATE OF TEXAS
COUNTY OF COLLIN

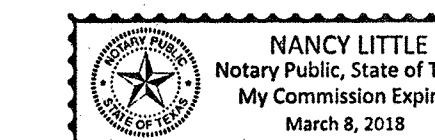
Before me, the undersigned authority, a Notary public in and for the State of Texas, on this day personally appeared Natalie Stambaugh, Owner, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and considerations therein expressed.

Given under my seal of office, this 14th day of June, 2017.

Nancy Little

Notary Public in and for the State of Texas

My Commission Expires On: 3-8-18

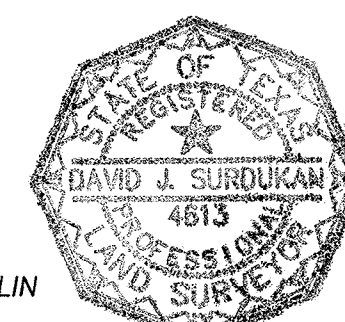


STANDARD NOTES

- 1) Selling a portion of this addition by metes and bounds is a violation of city ordinance and state law, and is subject to fines and withholding of utilities and building permits.
- 2) The undersigned does hereby covenant and agree that he or she or they shall construct upon the fire lane easements, as dedicated as shown hereon, a hard surface in accordance with the City of Celina's paving standards for fire lane, and that he or she or they shall maintain the same in a state of good repair at all times and keep the same free and clear of any structures, fences, trees, shrubs, or other improvements or obstruction, including but not limited to the parking of motor vehicles, trailers, boats or other impediments to the accessibility of fire apparatus. The maintenance of paving on the fire lane easements is the responsibility of the owner, and the owner shall post and maintain appropriate signs in conspicuous places along such fire lanes, stating "Fire Lane, No Parking." The local law enforcement agency(s) is hereby authorized to enforce parking regulations within the fire lanes, and to cause such fire lanes and utility easements to be maintained free and unobstructed at all times for Fire Department and emergency use.
- 3) The undersigned does hereby covenant and agree that the access easement may be utilized by any person or the general public for ingress and egress to public vehicular and pedestrian use and access, and for Fire Department and emergency use in, along, upon and across said premises, with the right and privilege at all times of the City of Celina, its agents, employees, workmen and representatives having ingress, egress, and regress in, along, upon and across said premises.
- 4) The area or areas shown on the plat as "VAM" (Visibility, Access and Maintenance) Easement(s) are hereby given and granted to the city, its successors and assigns, as an easement to provide visibility, right of access for maintenance upon and across said VAM Easement. The city shall have the right but not the obligation to maintain any and all landscaping within the VAM Easement. Should the city exercise this maintenance right, then is shall be permitted to remove and dispose of any and all landscaping improvements, including without limitation, any trees, shrubs, flowers, ground cover and fixtures. The city may withdraw maintenance of the VAM Easement at any time. The ultimate maintenance responsibility for the VAM Easement shall rest with the owners. No building, fence, shrub, tree or other improvements or growths, which in any way may endanger or interfere with the visibility, shall be constructed in, on, over, or across the VAM Easement. The city shall also have the right but not the obligation to add any landscape improvements to the VAM Easement, to erect any traffic control devices or signs on the VAM Easement and to remove any obstruction thereon. The city, its successors, assigns, or agents shall have the right and privilege at all times to enter upon the VAM Easement or any part thereof for the purposes and with all rights and privileges set forth herein.

KNOW ALL MEN BY THESE PRESENTS:

That I, David J. Surdukan, do hereby certify that I prepared this plat from an actual accurate survey of the land and that the corner monuments shown thereon as "set" were properly placed under my personal supervision in accordance with the Subdivision Ordinance of the City of Celina.

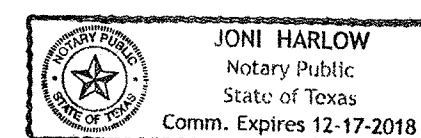


David J. Surdukan
DAVID J. SURDUKAN
R.P.L.S. NO. 4613

STATE OF TEXAS
COUNTY OF COLLIN

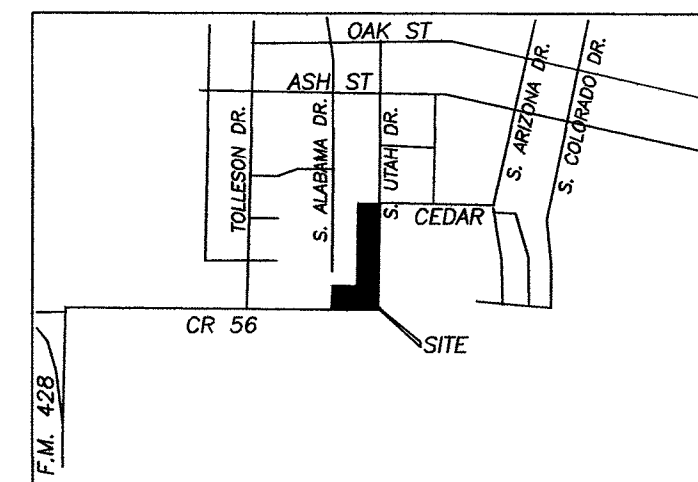
Before me, the undersigned authority, a Notary public in and for the State of Texas, on this day personally appeared David J. Surdukan, Registered Professional Land Surveyor, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and considerations therein expressed.

Given under my seal of office, this 13 day of June, 2017.



Joni Harlow
Notary Public in and for the State of Texas

12-17-2018
My Commission Expires On:



LOCATION MAP

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
06/20/2017 08:36:56 AM
\$41.00 C.J.R.M.L.
20170620010002930



2017-470

Stacey Kemp

FINAL PLAT
WESTGATE SECTION FOUR
2.521 ACRES
M.E.P. & P. RY. SURVEY
ABSTRACT NO. 644
CITY OF CELINA
COLLIN COUNTY, TEXAS

S11294

OWNER
Jerry Dickerson Executor of Estate of Lynda S. Stambaugh
Jerry J Dickerson, Zachary Stambaugh, Natalie Stambaugh
and Lewis Dickerson
1130 N LOUISIANA DR.
CELINA, TEXAS 75009
(972) 382-2123

SURVEYOR
Surdukan Surveying, Inc.
P.O. BOX 126
ANNA, TEXAS 75409
(972) 924-8200
TEXAS FIRM NO. 10089500

SHEET 2 OF 2
SCALE 1" = 40'
DATE: APRIL 12, 2017
JOB No. 2014-141



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Paul DeBuff, Assistant to the City Manager
Date: August 14, 2018
Re: Cambridge Crossing PID RA Authorization

Action Requested:

Consider and act upon a resolution of the City of Celina, Texas approving and authorizing the Mayor to execute the "PID Reimbursement Agreement Cambridge Crossing" between the City of Celina, Texas and Tollway/Outer Loop, L.P., a Texas Limited Partnership. (DeBuff)

Background Information:

Celina City Council authorized the establishment of the Cambridge Crossing PID on February 28, 2017, with authorization of up to \$80,000,000 in bonds for the District to finance certain public improvements to benefit the property in the District.

This resolution approves the execution of the PID Reimbursement Agreement for Cambridge Crossing development.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Resolution

Staff Recommendation:

Staff recommends approval.

RESOLUTION NO. 2018-__

A RESOLUTION OF THE CITY OF CELINA, TEXAS APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE “PID REIMBURSEMENT AGREEMENT CAMBRIDGE CROSSING” BETWEEN THE CITY OF CELINA, TEXAS AND TOLLWAY/OUTER LOOP, L.P., A TEXAS LIMITED PARTNERSHIP

WHEREAS, on February 28, 2017 the City Council (the “City Council”) of the City of Celina, Texas (the “City”) adopted Resolution No. 2017-10R creating the Cambridge Crossing Public Improvement District; and

WHEREAS, the City desires to approve the “PID Reimbursement Agreement Cambridge Crossing” between the City and Tollway/Outer Loop, L.P. (“Reimbursement Agreement”); and

WHEREAS, the Reimbursement Agreement satisfies the requirements of Section 372.023 of the Public Improvement District Assessment Act and is an appropriate method of reimbursement for the costs associated with the construction and development of authorized improvements.

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

SECTION 1. THAT the findings and premises contained in the preamble above are hereby deemed to be true and correct and incorporated herein.

SECTION 2. THAT the Reimbursement Agreement, substantially in the form attached hereto as **Exhibit A**, is approved and the Mayor is authorized to execute such Reimbursement Agreement on behalf of the City.

SECTION 3. THAT this Resolution shall become effective from and after its date of passage in accordance with law.

[Remainder of Page Intentionally Left Blank; Signatures to Follow]

PASSED AND APPROVED, on this the 14th day of August, 2018.

CITY OF CELINA, TEXAS

Sean Terry, Mayor

ATTEST:

City Secretary

(City Seal)

EXHIBIT A
REIMBURSEMENT AGREEMENT

PID Reimbursement Agreement Cambridge Crossing

This PID Reimbursement Agreement (this "Agreement") is entered into by Tollway/Outer Loop, L.P., a Texas limited partnership (the "Developer") and the City of Celina, Texas (the "City"), to be effective **[August 14, 2018]** (the "Effective Date"). The Developer and the City are individually referred to as a "Party" and collectively as the "Parties."

SECTION 1. RECITALS

1.1 WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in Section 2;

1.2 WHEREAS, unless otherwise defined: (1) all references to "sections" shall mean sections of this Agreement; (2) all references to "exhibits" shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to "ordinances" or "resolutions" shall mean ordinances or resolutions adopted by the City Council;

1.3 WHEREAS, the Developer is a Texas limited partnership;

1.4 WHEREAS, the City is a Texas home-rule municipality;

1.5 WHEREAS, on February 28, 2017, the City Council passed and approved the PID Creation Resolution authorizing the creation of the PID pursuant to the authority of the Act, covering approximately 484.074 contiguous acres within the City's corporate limits and which land is described in the PID Creation Resolution;

1.6 WHEREAS, on **[August 14, 2018]**, the City Council passed and approved an Assessment Ordinance;

1.7 WHEREAS, the **[August 14, 2018]**, Assessment Ordinance approved the SAP;

1.8 WHEREAS, the SAP identifies Authorized Improvements to be designed, constructed, and installed by or at the direction of the Parties that confer a special benefit on the Assessed Property;

1.9 WHEREAS, the SAP sets forth the Actual Costs of the Authorized Improvements;

1.10 WHEREAS, the Assessed Property is being developed in phases;

1.11 WHEREAS, the SAP determines and apportions the Actual Costs of the Authorized Improvements to the Assessed Property, which Actual Costs represent the special benefit that the Authorized Improvements confer upon the Assessed Property;

1.12 WHEREAS, an Assessment Ordinance levied Assessments for the Actual Costs of the Authorized Improvements against the Assessed Property in the amounts set forth on an Assessment Roll;

1.13 WHEREAS, Assessments, including the Annual Installments thereof, are due and payable as described in the SAP;

1.14 WHEREAS, Assessments, including the Annual Installments thereof, shall be billed and collected by the City or its designee;

1.15 WHEREAS, Assessment Revenue from the collection of Assessments, including the Annual Installments thereof, shall be deposited (1) as provided in the applicable Bond Indenture if PID Bonds secured by such Assessments are issued, or (2) into the PID Reimbursement Fund if no such PID Bonds are issued or such PID Bonds are no longer outstanding;

1.16 WHEREAS, Bond Proceeds shall be deposited as provided in the applicable Bond Indenture;

1.17 WHEREAS, the PID Project Fund shall only be used in the manner set forth in a Bond Indenture;

1.18 WHEREAS, this Agreement is a "reimbursement agreement" authorized by Section 372.023(d)(1) of the Act;

1.19 WHEREAS, the foregoing RECITALS: (1) are part of this Agreement for all purposes; (2) are true and correct; and (3) each Party has relied upon such Recitals in entering into this Agreement; and

1.20 WHEREAS, all resolutions and ordinances referenced in this Agreement (e.g., the PID Creation Resolution and each Assessment Ordinance), together with all other documents referenced in this Agreement (e.g., the SAP), are incorporated as part of this Agreement for all purposes as if such resolutions, ordinances, and other documents were set forth in their entirety in or as exhibits to this Agreement.

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth in this Agreement, the Parties agree as follows:

SECTION 2. DEFINITIONS

- 2.1 "Act" is defined as Chapter 372, Texas Local Government Code, as amended.
- 2.2 "Actual Costs" are defined in the SAP.
- 2.3 "Agreement" is defined in the introductory paragraph.
- 2.4 "Administrative Expenses" are defined in the SAP.
- 2.5 "Annual Installment" is defined in the SAP.
- 2.6 "Assessed Property" is defined in the SAP.
- 2.7 "Assessment" is defined in the SAP.
- 2.8 "Assessment Ordinance" is defined in the SAP.
- 2.9 "Assessment Revenue" means the revenues actually received by or on behalf of the City from the collection of Assessments, including prepayments, Annual Installments, Delinquent Collection Costs and foreclosure proceeds.
- 2.10 "Assessment Roll" is defined in the SAP.
- 2.11 "Authorized Improvements" are defined in the SAP.
- 2.12 "Bond Indenture" means the applicable trust indenture pursuant to which PID Bonds are issued.
- 2.13 "Bond Proceeds" mean the proceeds derived from the issuance and sale of a series of PID Bonds that are deposited and made available to pay Actual Costs in accordance with the applicable Bond Indenture.
- 2.14 "Certificate for Payment" means a certificate (substantially in the form of Exhibit A or as otherwise approved by the Developer and the City Representative) executed by a representative of the Developer and approved by the City Representative, delivered to the City Representative (and/or, if applicable, to the trustee named in any applicable Bond Indenture), specifying the work performed and the amount charged (including materials and labor costs) for Actual Costs, and requesting payment of such amount from the appropriate fund or funds. Each certificate shall include supporting documentation in the standard form for City construction projects and evidence that the Authorized Improvements (or its completed segment) covered by the certificate have been inspected by the City.
- 2.15 "City" is defined in the introductory paragraph.

2.16 "City Representative" means the person authorized by the City Council to undertake the actions referenced herein.

2.17 "City Council" means the governing body of the City.

2.18 "Closing Disbursement Request" means a request in the form of Exhibit B or as otherwise approved by the Parties.

2.19 "Default" is defined in Section 4.6.1.

2.20 "Delinquent Collection Costs" are defined in the SAP.

2.21 "Developer" is defined in the introductory paragraph.

2.22 "Developer Advances" mean advances made by the Developer to pay Actual Costs.

2.23 "Developer Continuing Disclosure Agreement" means any Continuing Disclosure Agreement of the Developer executed contemporaneously with the issuance and sale of PID Bonds.

2.24 "Developer Improvement Account" means the account of the PID Project Fund created and established under a Bond Indenture (and segregated from all other funds contained in the PID Project Fund) into which the City deposits any funds received from the Developer as required under such Bond Indenture.

2.25 "Development Agreement" is defined as the *Development Agreement (Cambridge Crossing)* between the Developer and the City effective February 28, 2017.

2.26 "Effective Date" is defined in the introductory paragraph.

2.27 "Failure" is defined in Section 4.6.1.

2.28 "Maturity Date" is the date one year after the last Annual Installment is collected.

2.29 "Party" and "Parties" are defined in the introductory paragraph.

2.30 "Phase" is defined in the SAP.

2.31 "Phase 1" is defined in the SAP.

2.32 "Phased PID Bonds" has the meaning assigned to it in the Phases #2-7 Major Improvement Bond Indenture.

2.33 "Phases #2-7 Major Improvement Bond Indenture" means that Bond Indenture related to the City's Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement Project).

2.34 "Phases #2-7 Major Improvement Bond Trustee" means the Trustee as defined in the Phases #2-7 Major Improvement Bond Indenture.

2.35 "PID" is defined as the Cambridge Crossing Public Improvement District created by the PID Creation Resolution.

2.36 "PID Bonds" are defined in the SAP.

2.37 "PID Creation Resolution" is defined as Resolution No. 2017-10R passed and approved by the City Council on February 28, 2017.

2.38 "PID Pledged Revenue Fund" means the fund, including all accounts created within such fund, established by the City under a Bond Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue from the collection of the Assessments securing PID Bonds issued and still outstanding under such Bond Indenture.

2.39 "PID Project Fund" means the fund, including all accounts created within such fund, established by the City under a Bond Indenture (and segregated from all other funds of the City) into which the City deposits a portion of the Bond Proceeds and any other funds authorized or required by such Bond Indenture.

2.40 "PID Reimbursement Fund" means the fund established by the City under this Agreement (and segregated from all other funds of the City) into which the City deposits Assessment Revenue if not deposited into the PID Pledged Revenue Fund.

2.41 "Reimbursement Agreement Balance" is defined in Section 3.3.

2.42 "SAP" is defined as the *Cambridge Crossing Authorized Public District Service and Assessment Plan* approved as part of the **[August 14, 2018]**, Assessment Ordinance, as amended by City Council action.

2.43 "Transfer" and "Transferee" are defined in Section 4.8.

SECTION 3. FUNDING AUTHORIZED IMPROVEMENTS

3.1 Fund Deposits. Until PID Bonds are issued, the City shall bill, collect, and immediately deposit into the PID Reimbursement Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); and (2) revenue collected from the payment of Annual Installments (excluding Administrative Expenses and Delinquent Collection Costs). Once PID Bonds are issued, the City shall bill, collect, and immediately deposit that portion of Assessment Revenue constituting "pledged

revenues" as defined in the applicable Bond Indenture in the manner set forth in such Bond Indenture. The City shall also deposit Bond Proceeds and any other funds authorized or required by the Bond Indenture in the manner set forth in the applicable Bond Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable Bond Indenture; provided that funds disbursed from the PID Project Fund pursuant to Section 3.5 below shall be made first from Bond Proceeds held in the applicable accounts within the PID Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the PID Project Fund. Funds in the PID Reimbursement Fund shall only be used to pay Actual Costs of the Authorized Improvements or all or any portion of the Reimbursement Agreement Balance in accordance with this Agreement. Notwithstanding any other provision in this Agreement, the Actual Costs of the Authorized Improvements within each Phase shall be paid from the Assessment Revenue collected solely from Assessments levied on the property within such Phase benefitting from such Authorized Improvements. Once PID Bonds are issued, the Bond Indenture shall control in the event of any conflicts with this Agreement.

3.2 Payment of Actual Costs. If PID Bonds are not issued to pay Actual Costs of Authorized Improvements, the Developer may elect to make Developer Advances to pay Actual Costs. If PID Bonds are issued, the Bond Proceeds shall be used in the manner provided in the applicable Bond Indenture. The Developer shall have no obligation to make Developer Advances unless the Bond Proceeds, together with any other funds on deposit in the PID Project Fund or PID Reimbursement Fund, are insufficient to pay the Actual Costs, in which case the Developer shall make Developer Advances to pay the deficit in the amount necessary to complete construction of the Authorized Improvements. If in connection with the issuance of a series of PID Bonds, the Developer is required to deposit funds for the payment of any Actual Costs not anticipated to be paid by funds on deposit in the PID Project Fund, then such Developer deposit may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that the Developer has previously paid if (i) the Developer submits to the City all information related to such costs that would be required by a Closing Disbursement Request at least 5 days prior to the pricing of the PID Bonds, and (ii) the

City approves such Actual Costs in writing. The Developer shall also make Developer Advances to pay for cost overruns (after applying cost savings). The lack of Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of the Developer to pay Actual Costs of the Authorized Improvements.

3.3 Payment of Reimbursement Agreement Balance. The City agrees to pay to the Developer, and the Developer shall be entitled to receive payments from the City, until the Maturity Date, for amounts shown on each Certificate for Payment (which amounts include only Actual Costs paid by or at the direction of the Developer) plus: (1) simple interest on the unpaid principal balance at the rate of five percent (5%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index reported in the month before the date the obligation was incurred for years one through five beginning on the date each Certificate of Payment is delivered to the City Representative; and (2) simple interest on the unpaid principal balance at the rate of two percent (2%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index reported in the month before the date the obligation was incurred for years six through thirty-five thereafter (the unpaid principal balance, together with accrued but unpaid interest, owed the Developer for all Certificates of Payment is referred to as the "Reimbursement Agreement Balance"). Notwithstanding the foregoing, upon the issuance of PID Bonds, the interest rate on any unpaid Reimbursement Agreement Balance shall be the same as the interest rate on such PID Bonds and such interest will be paid as provided in the applicable Bond Indenture. Such interest rates are set forth in the SAP and Assessment Ordinance and are approved by the City Council and are authorized by and comply with the Act, including specifically subsections (e)(1) and (e)(2) of Section 272.023 of the Act. The obligation of the City to pay the Reimbursement Agreement Balance is payable solely from the PID Reimbursement Fund or from PID Bond Proceeds. No other City funds, revenue, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments from the PID Reimbursement Fund shall be applied in accordance with this Agreement. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the fund since the last payment. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed

amount before the next payment is made; however, if the Parties are unable to resolve the disputed amount, then the City's determination of the disputed amount (as approved by the City Council) shall control.

3.4 PID Bonds. The City, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (1) paying the Reimbursement Agreement Balance; or (2) paying directly Actual Costs of Authorized Improvements. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable Bond Indenture. Upon the issuance of PID Bonds for such purpose, the Developer's right to receive payments from the Assessments securing such PID Bonds each year in accordance with Section 3.3 shall be subordinate to the deposits required under the applicable Bond Indenture related to any outstanding PID Bonds and the Developer shall be entitled to receive funds pursuant to the flow of funds provisions of such Bond Indenture. The failure of the City to issue PID Bonds shall not constitute a "Failure" by the City or otherwise result in a "Default" by the City. Upon the issuance of the PID Bonds, the Developer has a duty to construct those Authorized Improvements described in the Bond Indenture. The Developer shall not be relieved of its duty to construct or cause to be constructed such improvements even if there are insufficient funds in the PID Project Fund to pay the Actual Costs. This Agreement shall apply to all of the PID Bonds issued by the City whether in one or more series, and no additional reimbursement agreement shall be required for future series of PID Bonds.

3.5 Disbursements and Transfers at and after Bond Closing. The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the Bond Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the City or the Developer, as applicable, which costs may include payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible items expended by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than five (5) days prior to the scheduled closing date for the PID Bonds for payment in accordance with the provisions of the applicable Bond Indenture. In order to receive additional disbursements from

the applicable fund under a Bond Indenture, the Developer shall execute a Certificate for Payment, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the applicable Bond Indenture and this Agreement. Upon receipt of a Certificate for Payment (along with all accompanying documentation required by the City) from the Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all applicable governmental laws, rules and regulations and applicable plans therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such Certificate for Payment. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Within ten (10) days following receipt of any Certificate for Payment, the City shall either: (1) approve the Certificate for Payment and forward it to the trustee for payment, or (2) provide the Developer with written notification of disapproval of all or part of a Certificate for Payment, specifying the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.3 herein. The City shall deliver the approved or partially approved Certificate for Payment to the trustee for payment, and the trustee shall make the disbursements as quickly as practicable thereafter.

3.6 Obligations Limited. The obligations of the City under this 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 the PID Reimbursement Fund, the PID Pledged Revenue Fund, or the PID Project Fund. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements; (2) the Reimbursement Agreement Balance even if the Reimbursement Agreement Balance is not paid in full on or before the Maturity Date; or (3) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.7 Obligation to Pay. Subject to the provisions of Section 3.6 above and as determined solely by the City, if the Developer is in then current compliance with its obligations under the Developer Continuing Disclosure Agreement (if PID Bonds are issued and remain outstanding), or under the Development Agreement (if PID Bonds are not issued or are no longer outstanding), then following the inspection and approval of any portion of Authorized Improvements for which Developer seeks reimbursement of the Actual Costs by submission of a Certificate for Payment or City approval of a Closing Disbursement Request, the obligations of the City under this Agreement to pay disbursements (whether to the Developer or to any person designated by the Developer) identified in any Closing Disbursement Request or in any Certificate for Payment and to pay debt service on PID Bonds are unconditional AND NOT subject to any defenses or rights of offset except as may be provided in any Bond Indenture.

3.8 City Delegation of Authority. All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans and in accordance with this Agreement and any other agreement between the parties related to property in the PID. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized 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 in accordance with City ordinances, City regulations, and generally accepted practices appropriate to the activities undertaken. The Developer has sole responsibility of ensuring that all Authorized Improvements are constructed 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 in accordance with City ordinances, City regulations, and 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 all Authorized Improvements to be acquired and accepted by the City from the Developer. If any Authorized Improvements are or will be 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 Authorized

Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

3.9 Security for Authorized Improvements. Prior to completion and conveyance to the City of any Authorized Improvements, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for the City has the right to reject any surety company regardless of such company's authorization to do business in Texas. 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 mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed 120 percent of the disputed amount.

3.10 Ownership and Transfer of Authorized Improvements. The Developer shall furnish to the City a preliminary title report for land related to the Authorized Improvements to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City. The report shall be made available for City review and approval at least fifteen (15) business days prior to the scheduled transfer of title. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, would materially affect the City's use and enjoyment of the Authorized Improvements. If the City objects to any preliminary title report, the City shall not be obligated to accept title to the applicable Authorized Improvements until the Developer has cured the objections to the reasonable satisfaction of the City.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of the Maturity Date or the date on which the Reimbursement Agreement Balance is paid in full.

4.2 No Competitive Bidding. Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor.

4.3 Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City.

4.4 Audit. The City Representative shall have the right, during normal business hours and upon three business days' prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements. For a period of two years after completion of the Authorized Improvements, the Developer shall maintain proper books of record and account for the construction of the Authorized Improvements and all costs related thereto. Such accounting books shall be maintained in accordance with customary real estate accounting principles.

4.5 Representations and Warranties.

4.5.1 The Developer represents and warrants to the City that: (1) the Developer has the authority to enter into and perform its obligations under this Agreement; (2) the Developer has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement; (3) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (4) this Agreement is binding upon the Developer in accordance with its terms; and (5) the execution of this Agreement and the performance by the Developer of its obligations under this Agreement do not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

4.5.2 The City represents and warrants to the Developer that: (1) the City has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the City has been duly authorized to do so; (3) this Agreement is binding upon the City in accordance with its terms; and (4) the execution of this Agreement and

the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.6 Default/Remedies.

4.6.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a “Failure”) and such Failure is not cured after notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a “Default.” If a Failure is monetary, the non-performing Party shall have 10 days within which to cure. If the Failure is non-monetary, the non-performing Party shall have 30 days within which to cure.

4.6.2 If the Developer is in Default, the City shall have available all remedies at law or in equity; provided no default by the Developer shall entitle the City to terminate this Agreement or to withhold payments to the Developer from the PID Reimbursement Fund or the PID Pledged Revenue Fund or the PID Project Fund in accordance with this Agreement and the Bond Indenture.

4.6.3 If the City is in Default, the Developer shall have available all remedies at law or in equity; provided, however, no Default by the City shall entitle the Developer to terminate this Agreement.

4.6.4 The City shall give notice of any alleged Failure by the Developer to each Transferee identified in any notice from the Developer, and such Transferees shall have the right, but not the obligation, to cure the alleged Failure within the same cure 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 Agreement unless the Transferee agrees in writing to be bound.

4.7 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction, or installation of the Authorized Improvements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the PID. 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, or subdivision requirements relating to the development property in the PID.

4.8 Transfers. 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 notice to) the City, the Developer's right, title, or interest to payments under this Agreement (but not performance obligations) including, but not limited to, any right, title, or interest of the Developer in and to payments of the Reimbursement Agreement Balance, whether such payments are from the PID Reimbursement Fund or from Bond Proceeds (any of the foregoing, a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"); provided, however, that if such Transfer would result in (1) the issuance of municipal securities, and/or (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subjected to additional reporting or recordkeeping duties, then such Transfer shall not be made unless (1) the Developer certifies in writing to the City and to the Phases #2-7 Major Improvement Bond Trustee that the municipal securities to be issued meet the requirements for the issuance of Phased PID Bonds under Section 13.2(c) of the Phases #2-7 Major Improvement Bond Indenture, and (2) the City gives prior written consent. Notwithstanding the foregoing, no Transfer shall be effective until notice of the Transfer is given to the City. The City may rely on notice of a Transfer received from the Developer without obligation to investigate or confirm the validity of the Transfer. The Developer waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice.

4.9 Applicable Law; Venue. This 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, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Collin County, Texas.

4.10 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City: Attn: Jason Laumer, City Manager
City of Celina
142 N. Ohio St.
Celina, Texas 75009
E-mail: rchaffin@celina-tx.gov
TEL: (972) 382-2682
FAX: (972) 382-3736

With a copy to: Attn: Lance Vanzant
Hayes, Berry, White & Vanzant, LLP
512 W. Hickory St., Ste. 100
Denton, Texas 75206
E-mail: lvanzant@hbwvllaw.com
TEL: (940) 387-3518
FAX: (866) 580-1744

With a copy to: Attn: Julie Fort
Messer, Rockefeller & Fort, P.L.L.C.
6371 Preston Road., Suite. 200
Frisco, Texas 75034
E-mail: julie@txmunicipallaw.com
TEL: (972) 668-6400
FAX: (972) 668-6414

To the Owner: Attn: James J. Melino
Tollway/Outer Loop, L.P.
c/o The Cambridge Companies, Inc.
8750 N. Central Expressway, Suite 1735
Dallas, Texas 75231
E-mail: jmelino@cambridgecos.com
TEL: (214) 691-2556
FAX: (214) 691-0682

With a copy to: Attn: Misty Ventura
Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, Texas 75218
E-mail: misty.ventura@svlandlaw.com
TEL: (214) 328-1101
FAX: (800) 519-3768

Any Party may change its address by delivering notice of the change in accordance with this section.

4.11 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound, the provisions and

intent of the applicable Bond Indenture controls. This Agreement may only be amended by written agreement of the Parties.

4.12 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.13 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this 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 Agreement.

4.14 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City, the Developer, and Transferees any rights under or by reason of this Agreement, except that the Phases #2-7 Major Improvement Bond Trustee is a beneficiary solely under Section 4.8 of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City, the Developer, and Transferees.

4.15 No Boycott of Israel. As required by Chapter 2270, Texas Government Code, as amended, the Developer verifies that the Developer does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "boycott Israel" means refusal 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.

4.15 Iran, Sudan, and Foreign Terrorist Organizations. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, as amended, to the extent applicable to this Agreement, the Developer represents that it is not a company (as defined in Section 2270.0001(2), Texas Government Code, as amended) engaged in business with Iran, Sudan, or a foreign terrorist organization (as defined in Section 2252.151(2) Texas Government Code, as amended) and that it is not on a list prepared and maintained by the Comptroller of Public Accounts of the State of Texas under Sections 2270.0201 or 2252.153, Texas Government Code, as amended.

4.15 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by electronic mail with a "pdf"

copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[Execution pages follow.]

CITY OF CELINA, TEXAS

By: _____
Sean Terry, Mayor

ATTEST:

By: _____
Vicki Faulkner, City Secretary

TOLLWAY/OUTER LOOP, L.P.,
a Texas limited partnership

By: Tollway/Outer Loop GP, LLC,
a Texas limited liability company
its General Partner

By: LLC Manager, Inc.
a Texas corporation
its Manager

By: _____
James J. Melino, President

Date: _____

Exhibit A**CERTIFICATE FOR PAYMENT FORM**

The undersigned is an agent for Tollway/Outer Loop, L.P., a Texas limited partnership (the "Developer") and requests payment from [the applicable account of the PID Project Fund] [the PID Reimbursement Fund] from the City of Celina, Texas (the "City") in the amount of _____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized Improvements providing a special benefit to property within the Cambridge Crossing Authorized Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement between the Developer and the City (the "Reimbursement Agreement").

In connection with 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 Certificate for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Authorized Improvements has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the Authorized Improvements below is a true and accurate representation of the Actual Costs associated with the creation, acquisition, or construction of said Authorized Improvements, and such costs (i) are in compliance with the Reimbursement Agreement, and (ii) are consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Bond Indenture, the Service and Assessment Plan and the Development Agreement.
5. The Developer has timely paid all ad valorem taxes and annual installments of Assessments it owes or an entity under common control with the Developer owes, located in the Cambridge Crossing Public Improvement District and has no outstanding delinquencies for such assessments.
6. All conditions set forth in the Bond Indenture (as defined in the Reimbursement Agreement) for the payment hereby requested have been satisfied.

7. The work with respect to the Authorized Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Authorized Improvements (or its completed segment).

8. 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.

9. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for major improvements or any phase of Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or segment) has been completed and the City has accepted such Authorized Improvements (or segment). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or segment).

Payments requested are as follows:

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

[If the Authorized Improvements are to be paid in part from one series of PID Bonds and in part from another, insert the following:

As required by Section ____ of the Bond Indenture, the costs for the Authorized Improvements that constitutes the pro-rata share of such Authorized Improvements allocable to the designated Bonds shall be paid as follows:

<i>Authorized Improvements:</i>	<i>Amount to be paid from _____ Fund</i>	<i>Amount to be paid from _____ Fund</i>	<i>Total Cost of Authorized Improvements</i>

]

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for City construction projects.

Pursuant to the Reimbursement Agreement, after receiving this payment request, the City has inspected the Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

I hereby declare that the above representations and warranties are true and correct.

TOLLWAY/OUTER LOOP, L.P.,
a Texas limited partnership

By: Tollway/Outer Loop GP, LLC,
a Texas limited liability company
its General Partner

By: LLC Manager, Inc.
a Texas corporation
its Manager

By: _____
James J. Melino, President

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, acknowledges that the Authorized Improvements (or its completed segment) covered by the certificate have been inspected by the City, and otherwise finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from [the applicable account of the PID Project Fund] [the PID Reimbursement Fund] to the Developer or to any person designated by the Developer.

CITY OF CELINA, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B**FORM OF CLOSING DISBURSEMENT REQUEST**

The undersigned is an agent for Tollway/Outer Loop, L.P., a Texas limited partnership (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from the applicable account of the PID Project Fund from _____ (the "Trustee") in the amount of _____ (\$_____) to be transferred from the applicable account of the Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the Cambridge Crossing Public Improvement District (the "District"), as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of _____, 20__ (the "Indenture") relating to the "[INSERT NAME OF BONDS]" (the "PID Bonds").

In connection with 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 Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation of the District at the time of the delivery of the PID Bonds, and such costs are in compliance with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Indenture, the Service and Assessment Plan, and the Development Agreement.
5. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.
6. 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.
7. Payment of the amounts requested in this Closing Disbursement Request, taking into account all prior payments for the Authorized Improvements and the amount of work related to the Authorized Improvements that remains as of the date of this request, will not cause the amounts on deposit in the applicable accounts of the PID Project Fund to fall below the amount necessary to complete the remaining Authorized Improvements.

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

TOLLWAY/OUTER LOOP, L.P.,
a Texas limited partnership

By: Tollway/Outer Loop GP, LLC,
a Texas limited liability company
its General Partner

By: LLC Manager, Inc.
a Texas corporation
its Manager

By: _____
James J. Melino, President

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from Costs of Issuance Account upon delivery of the PID Bonds.

CITY OF CELINA, TEXAS

By: _____

Name: _____

Title: _____

Date: _____



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Paul DeBuff, Assistant to the City Manager
 CC: Jason Laumer, City Manager
 Date: August 14, 2018
 Re: Cambridge Crossing Ph #1 Bond Ordinance

Action Requested:

Consider and act upon an ordinance approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 Project); and approving and authorizing related agreements. (DeBuff)

Background Information:

Celina City Council authorized the establishment of the Cambridge Crossing PID on February 28, 2017, with authorization of up to \$80,000,000 in bonds for the District to finance certain public improvements to benefit the property in the District. Council approved the determination of costs resolution for Phase I on July 10, 2018.

This ordinance approves the issuance and sale of PID Bonds for Cambridge Crossing, Phase #1.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Ordinance

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. 2018__**AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #1 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 "Cambridge Crossing Public Improvement District" (the "District"), pursuant to Resolution No. 2017-10R adopted by the City Council of the City (the "City Council") on February 28, 2017; and

WHEREAS, pursuant to the PID Act, the City Council published notice of and convened a public hearing on August 14, 2018 regarding the levy of assessments against benefitted property located in Phase #1 of the District and after hearing testimony at such public hearing, the City Council closed the public hearing and adopted Ordinance No. 2018-__ (the "Phase #1 Assessment Ordinance") on August 14, 2018; and

WHEREAS, in the Phase #1 Assessment Ordinance, the City Council approved and accepted the Cambridge Crossing Public Improvement District Service and Assessment Plan, dated August 14, 2018 (the "Service and Assessment Plan") relating to the District and levied the "Phase #1 Assessments" (as defined in the Phase #1 Assessment Ordinance) against the "Phase #1 Assessed Property" (as defined in the Service and Assessment Plan") as shown on the "Phase #1 Assessment Roll" (as defined and described in the Service and Assessment Plan). 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 Phase #1 Assessments and other revenues received for the purposes of (i) paying a portion of the Actual Costs of the Phase #1 Improvements, as defined in the Indenture (defined herein), (ii) paying a portion of the interest on the Bonds (defined herein) during and after the period of acquisition and construction of the Phase #1 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 issuing the Bonds; and

WHEREAS, the City Council hereby finds and determines that it is in the best interests of the City to issue its bonds to be designated "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 Project)" (the "Bonds"), such series to be payable from and secured by the Pledged Revenues, as defined in the Indenture (defined herein); and

WHEREAS, the City Council hereby finds and determines to (i) approve the issuance of the Bonds to finance a portion of the costs of the Phase #1 Improvements, (ii) approve the form, terms and provisions of an indenture of trust 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 a Preliminary Limited Offering Memorandum and Limited Offering Memorandum (defined below) and (v) approve the form, terms and provisions of a Continuing Disclosure Agreement (defined below).

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 Phase #1 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #1 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 issuing the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of August 1, 2018, between the City and U.S. Bank National Association, as trustee (the "Trustee"), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the City Manager, the City's land use attorney and the City's bond counsel, such approval to be evidenced by the execution and delivery of the Indenture by the Mayor of the City, 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. The Mayor 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.

(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" (as defined in the Indenture) pledged to such series, and shall never be payable from ad valorem taxes.

SECTION 2. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the "Underwriter") under that certain Bond Purchase Agreement (the "Bond Purchase Agreement"), dated the date hereof, between the City and the Underwriter, substantially in the form attached hereto as **Exhibit B** which is incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interests of the City at the price and on the terms and provisions set forth in the Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the City Manager, the City's land use attorney, and the City's bond counsel, such approval to be evidenced by the execution and delivery of the Bond Purchase Agreement by the Mayor of the City. The Mayor 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 Mayor is hereby

authorized and directed to execute such Limited Offering Memorandum with such changes and alterations therein as the Mayor may approve, such approval to be conclusively evidenced by such execution thereof. The Limited Offering Memorandum as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor 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 execution, approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Mayor, this City Council, including the Mayor, 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 therein) or their financial ability, any builders, any landowners, or the appraisal of the property in the District.

SECTION 4. Continuing Disclosure Agreement. That certain Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc. (the "Dissemination Agent") 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 Mayor 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 Mayor, such approval to be evidenced by the execution thereof.

SECTION 5. Additional Actions. The Mayor, Mayor Pro Tem, the City Manager, the Director of Finance, and the City Secretary are 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 Director of Finance, and the City Secretary are 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.

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.

PASSED AND ADOPTED, this August 14, 2018.

CITY OF CELINA, TEXAS

Sean Terry, Mayor

ATTEST:

City Secretary

(City Seal)

Attachment: Celina - Cambridge Crossing #1 2018 - Bond Ordinance MASTER (2018 - 40 : Cambridge Crossing Ph #1 Bond Ordinance)

EXHIBIT A
INDENTURE OF TRUST

Attachment: Celina - Cambridge Crossing #1 2018 - Bond Ordinance MASTER (2018 - 40 : Cambridge Crossing Ph #1 Bond Ordinance)

INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED AS OF AUGUST 1, 2018

SECURING

\$XXXXXX
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASE #1 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of August 1, 2018 is by and between the CITY OF CELINA, TEXAS (the "City"), and U.S. BANK NATIONAL ASSOCIATION, 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 City to be known as Cambridge Crossing 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 February 14, 2017, after due notice, the City Council of the City (the "City Council") opened a public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Sec. 372.009 of the PID Act and continued the public hearing on February 28, 2017, the City Council made the findings required by Sec. 372.009(b) of the PID Act and, by Resolution No. 2017-10R, 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 March 3, 2017, the City published notice of the creation 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 March 3, 2017; and

WHEREAS, on July 10, 2018, the City Council by Resolution 2018-25R made findings and determinations relating to the Actual Costs of certain Authorized Improvements, received and accepted a preliminary service and assessment plan and proposed assessment roll, called a public hearing for August 14, 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 as required by Section 372.016(b) of the PID Act relating to the August 14, 2018 hearing; and

WHEREAS, on July 26, 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 "Assessment Roll" and the "Service and Assessment Plan" and the levy of the "Assessments" on property in 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 Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the hearing on August 14, 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 Assessment Roll and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessment, the allocation of Actual Costs, the purposes of the Assessment, the special benefits of the Assessment, and the penalties and interest on annual installments and on delinquent annual installments of the Assessment, 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, the Assessment Roll, and the levy of the 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

WHEREAS, on August 14, 2018, the City approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance and therein levied the Assessments; and

WHEREAS, the City Council hereby finds and determines that the Assessment Roll and the Service and Assessment Plan should be approved and that the Assessments should be levied as provided in the Service and Assessment Plan and the Assessment Roll; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the Phase #1 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #1 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, such bonds to be entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 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, 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 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 Assessments have been prepaid, the lien on real property associated with such Assessment prepayment shall be released from the Trust Estate and shall no longer constitute a part of the Trust Estate;

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 Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (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. 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 charged on the 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 and established by Section 6.7 of this Indenture.

"Additional Interest Reserve Requirement" means an amount equal to 5.5% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues deposited to the Pledged Revenue Fund.

“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 Assessments securing the Bonds, levied against property within the District in accordance with the PID Act.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs 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,

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levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

“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.

“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 Phase #1 Assessed Parcel, each annual payment of the Assessments as shown on the Assessment Roll attached to the Service and Assessment Plan as Appendix F and related to the Phase #1 Improvements; which annual payment includes the Additional Interest Rate collected on each annual payment of the 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.

“Assessments” means the aggregate assessments shown on the Assessment Roll. The singular of such term means the assessment levied against an Phase #1 Assessed Parcel, as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Phase #1 Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

“Assessment Ordinance” means Ordinance No. 2018-___ adopted by the City Council on August 14, 2018, that levied the Assessments on the Phase #1 Assessed Parcels.

“Assessment Revenue” means monies collected by or on behalf of the City from any one or more of the following: (i) an Assessment levied against an Phase #1 Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual

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Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

“Assessment Roll” means the Assessment Roll attached as Appendix F 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 Assessment against each Phase #1 Assessed Parcel related to the Bonds and the Phase #1 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 \$5,000 in excess thereof; provided, however, that if the total principal amount of the Outstanding Bonds is less than \$25,000 then the Authorized Denomination shall be the amount of the Outstanding Bonds.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including those listed in Section III.C of the Service and Assessment Plan for which Assessments are levied against an Phase #1 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 Phase #1 Assessed Parcels.

“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. 2018-___ adopted by the City Council on August 14, 2018 authorizing the issuance of the Bonds pursuant to this Indenture.

“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 2018 (Cambridge Crossing Public Improvement District Phase #1 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 ___ 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

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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 the Project Fund as further described in the PID Reimbursement Agreement and Section 6.5 herein.

“City Certificate” means a certificate signed by the City Representative and delivered to the Trustee.

“City Order” means written instructions by the City, executed by a City Representative.

“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 Phase #1 Assessed Parcel and the costs of collection of a delinquent 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 Tollway/Outer Loop L.P., a Texas limited partnership, and any successor owner of the property or any portion thereof.

“Developer Improvement Account” means the Account of such name established pursuant to Section 6.1.

“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 Assessments against any Phase #1 Assessed Parcel or Phase #1 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, 2019.

“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.

“Major Improvements” means the Authorized Improvements which will benefit all of the property within the District and are more particularly described in Section III of the Service and Assessment Plan.

“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.

“Outstanding” means, as of any particular date when used with reference to 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 Tollway/Outer Loop, L.P., a Texas limited partnership.

“Phase #1” means the initial phase to be developed within the District and further identified and depicted in Exhibit L in the Service and Assessment Plan.

“Phase #1 Assessed Parcel” means each respective parcel of land located within Phase #1 of the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

“Phase #1 Improvement Account” means the Account of such name established pursuant to Section 6.1.

“Phase #1 Improvements” means the Phase #1 Improvements and the portion of the Major Improvements allocable to Phase #1 as described in the Service and Assessment Plan.

“Phase #1 Major Improvement Account” means the Account of such name established pursuant to Section 6.1.

“Phase #1 Projects” means the Authorized Improvements which will benefit the Phase #1 Assessed Parcels solely within Phase #1 and more particularly described in Section III.C of the Service and Assessment Plan.

“Phases #2-7” means the property within the District not within Phase #1 and further identified and depicted in Exhibit A of the Service and Assessment Plan or in any Annual Service Plan Update.

“Phases #2 -7 Major Improvement Bond Indenture” means the Indenture of Trust dated as of August 1, 2018 between the City and U.S. Bank National Association, securing the City's bonds entitled “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement Project)”.

“Phases #2-7 Major Improvement Account” means the project fund established under Section 6.1 of the Phases #2-7 Major Improvement Bond Indenture for payment of the Actual Costs of Major Improvements allocable to Phases #2-7.

“Phases #2-7 Major Improvements” means Phases #2-7 proportionate share of the Major Improvements.

“PID Act” means Texas Local Government Code, Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, as amended.

“PID Reimbursement Agreement” means the “PID Reimbursement Agreement – Cambridge Crossing” between the City and the Developer relating to the Bonds, dated as of August 14, 2018, in which the Developer agrees to fund certain Actual Costs of the Authorized Improvements and the City agrees to reimburse the Developer for a portion of the Actual Costs with interest as permitted by the Act.

“Pledged Funds” means the Pledged Revenue Fund, the Bond Fund, the Project Fund (excluding the Developer Improvement Account), the Reserve Fund, and the Redemption Fund.

Indenture of Trust
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“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 (a) the Administrative Expenses and (b) Foreclosure Proceeds, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds.

“Prepayment” means the payment of all or a portion of an 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.

“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 date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of the date of issuance, or (iii) 10% of the proceeds of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to subsections (c) and (d) of Section 6.7; and provided further that as a result of an optional redemption pursuant to Section 4.3, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is \$_____ which is an amount equal to Maximum Annual Debt Service on the Bonds as of the date of issuance.

“Reserve Fund” means that fund established pursuant to Section 6.1 and administered in Section 6.7 herein.

“Service and Assessment Plan” means the document, including the Assessment Roll, as amended, which is attached as Exhibit A to the Assessment Ordinance.

“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.

“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.

“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 Pledged Revenues shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Pledged Revenues, the filing of 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 Pledged Revenues 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 Pledged Revenues 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 \$XXXXXX for the purpose of (i) paying a portion of the Actual Costs of the Phase #1 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #1 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated August 1, 2018 (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, 2019 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 Ordinance;
- (b) a copy of the executed Bond Ordinance;
- (c) a copy of the executed Phases #2-7 Major Improvement Bond Indenture;
- (d) a copy of the executed PID Reimbursement 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 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, first class United States mail, 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 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, 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 be such officer 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 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 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.

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 maturity 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 of redemption 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 _____

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

Term Bonds Maturing _____

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

Term Bonds Maturing

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

Term Bonds Maturing

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

(b) At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select a principal amount of Bonds 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 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 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 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 sinking mandatory fund redemption.

Section 4.3. Optional Redemption.

(a) 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.

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, 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 as provided in Section 6.7(c)), transfers to the Redemption Fund made pursuant to Section 6.3(d), 6.3(e), 6.3(f), 6.7(a), 6.7(c), 6.7(g), or 6.7(i) hereof, or as a result of unexpended amounts transferred from the Project Fund as provided in Section 6.5(e).

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in minimum principal amounts equal to the Authorized Denomination in effect at such time by any method selected by the Trustee that results in a random selection. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the smallest Authorized Denomination for such Bond.

(b) A portion of a single Bond of a denomination greater than an Authorized Denomination may be redeemed, but only in increments equal to the Authorized Denomination in effect at that time. The Trustee shall treat each such increment as though it were a single bond for purposes of redemption.

(c) Notwithstanding any provision in this Indenture to the contrary, including Section 4.5(b) above, if any Bonds are to be redeemed pursuant to Section 4.4 and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued.

(d) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver and exchange the 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 first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(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 4.6 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 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 or the principal of and interest on such Bonds, as applicable, 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 Service Bureau Division of Standard & Poor's Corporation, 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, or 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) Phase #1 Improvement Account;
- (B) Phase #1 Major Improvement Account;
- (C) Developer Improvement Account; and
- (D) Costs of Issuance Account.

(iv) The following Account is hereby created and established under the Administrative Fund:

- (A) District Administration Account.

(c) Each Fund and 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 Phase #1 Improvement Account of the Project Fund:
\$ _____ and
- (vi) to the Phase #1 Major Improvement Account of the Project Fund:
\$ _____.

(b) Funds received from the Developer in the amount of \$ _____ shall be deposited into the Developer Improvement Account of the Project Fund.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 1 of each year while the Bonds are Outstanding and beginning in year 2019, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Assessment Revenues to the Pledged Revenue Fund to be used in the following order of priority: (a) first, amounts sufficient to pay debt service on the Bonds coming due in such calendar year, (b) 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, (c) third, to the Additional Interest Reserve Account in an amount to cause the Additional Interest Reserve Account to equal the Additional Interest Reserve Requirement described in Section 6.7(a) hereof, (d) fourth, to pay other costs of the Authorized 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 Pledged Revenue Fund 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, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

(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 Phase #1 Assessed Parcel or Phase #1 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 the Reserve Fund, the City may direct the Trustee by City Order to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

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 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>
-------------	---------------

Any amounts on deposit to the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Phase #1 Improvement Account of the Project Fund, or if the Project Fund has been closed as provided in Section 6.5(g) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof.

(b) Any funds received at Closing pursuant to the PID Reimbursement Agreement shall be applied as provided therein. Such provisions and procedures are herein incorporated by reference and deemed set forth herein in full.

(c) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The disbursement of funds from the Project Fund pursuant to a Certificate for Payment shall be pursuant to and accordance with the disbursement procedures described in the PID Reimbursement Agreement; and, such disbursements shall be made first from the Phase #1 Improvement Account or the Phase #1 Major Improvement Account of the Project Fund until all funds in such accounts are depleted and then next from the Developer Improvement Account of the Project Fund. 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.

(d) The Phases #2-7 Major Improvement Bond Indenture has established thereunder the Phases #2-7 Major Improvement Account purposes of paying the Actual Costs of the Major Improvements allocable to Phases #2-7 pursuant to and as described in the Service and Assessment Plan. Upon receipt of, and pursuant to instructions contained within,

Indenture of Trust
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a Certificate for Payment, the Trustee shall disburse amounts from the Phase #1 Major Improvement Account of the Project Fund to pay costs of the Phase #1 Improvements consisting of Phase #1's pro-rata share of the Major Improvements in an amount equal to the portion allocable to the Phase #1 Assessed Parcels within Phase #1 as provided in the Service and Assessment Plan, with the remainder of the Actual Costs of the Major Improvements to be paid from the Phases #2-7 Major Improvement Account. Each Certificate for Payment shall set forth the amount of the costs of an individual Major Improvement to be paid from the Phase #1 Major Improvement Account of the Project Fund and the amount to be paid from the Phases #2-7 Major Improvement Account.

(e) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Phase #1 Improvement Account of the Project Fund or the Phase #1 Major Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Phase #1 Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Phase #1 Improvement Account of the Project Fund or the Phase #1 Major Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Phase #1 Improvement Account of the Project Fund or the Phase #1 Major Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Phase #1 Improvement Account of the Project Fund or the Phase #1 Major 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.

(f) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(g) Upon the filing of a City Certificate stating that all Phase #1 Improvements have been completed and that all Actual Costs of the Phase #1 Improvements have been paid, or that any such Actual Costs are not required to be paid from the Phase #1 Improvement Account of the Project Fund or the Phase #1 Major Improvement Account of the Project Fund pursuant to a Certificate for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Phase #1 Improvement Account and Phase #1 Major Improvement Project Fund to the Bond Fund, (ii) shall transfer any remaining amount in the Developer Improvement Account of the Project Fund to the Developer, and (iii) shall close the Project Fund.

(h) 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 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 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, an amount equal to not less than the Reserve Account Requirement. 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. The Trustee will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 of each year, commencing March 1, 2019, an amount equal to the Additional Interest until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that at any time the amount on deposit in the Additional Interest Reserve Account is less than Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account. Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Additional Interest Reserve Account exceed the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the "Excess Additional Interest Reserve Amount"). The Excess Additional Interest Reserve Amount shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund or as otherwise directed in a City Order. In the event that the Trustee does not receive a City Order directing the transfer of the Excess Additional Interest Reserve Amount to the Administrative Fund within 45 days of providing notice to the City of such Excess Additional Interest Reserve Amount, the Trustee shall transfer the Excess Additional Interest Reserve Amount to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof. 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.

(b) 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 a written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(c) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) 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 interest 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 Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds, or (iii) to the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(e) Reserved.

(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 Redemption Fund and applied to the payment of the principal of the Bonds.

(h) If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Fund 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 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 Order, 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 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 Order solely for the purposes set forth in the Service and Assessment Plan.

Section 6.10. Investment of Funds.

(a) Money in any Fund established pursuant to this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. 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 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 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 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 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 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 Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the respective Phase #1 Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding and amounts are due the Developer to reimburse it for its funds it has contributed to pay costs of the Phase #1 Improvements, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the 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 Assessment or the corresponding Phase #1 Assessed Parcel.

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, 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 Outstanding Bonds or any interest thereon remain outstanding and unpaid, and the obligation to the Developer to reimburse it for funds it has contributed to pay costs of the Authorized Improvements remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the 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 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 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 Order, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Order 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 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 Registrar and Paying Agent for and in respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction 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 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 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 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. 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 Authorized Improvements.

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 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 hereunder prior to any Bonds Outstanding. 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 under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

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.

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.

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 Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

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; and

(iv) 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.

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 ninety (90) 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 ninety-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.

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 Pledged Revenue Fund;
- (ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; and
- (iv) Default in the performance or observance of any covenant, agreement or obligation of the City under 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.

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 Owners of at least 25% of the Bonds then Outstanding, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under 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 Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(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 at least 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 registered 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 registered 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,

Indenture of Trust
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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 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 registered owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the registered owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the registered owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the registered owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners 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.

(a) 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 Pledged Revenues.

(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 Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues 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 Pledged Revenues 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 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 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 Pledged Revenues or Pledged Funds; 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.

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 Order, 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
Celina, Texas 75009
Attn: Director of Finance

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 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 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.

[remainder of page left blank intentionally]

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

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

Attachment: Celina - Cambridge Crossing #1 2018 - Bond Ordinance MASTER (2018 - 40 : Cambridge Crossing Ph #1 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
No. _____

REGISTERED
\$ _____

United States of America
State of Texas

CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASE #1 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, 2019, 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 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 August 1, 2018 and issued in the aggregate principal amount of \$XXXXXX and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of August 1, 2018 (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 Phase #1 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #1 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

The Bonds 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 \$5,000 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 of 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

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

Term Bonds Maturing

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

Term Bonds Maturing

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, 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 Section 4.6 of 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 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 of redemption 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 first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or 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 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:

Years Principal Installments Interest Rates”

(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: Celina - Cambridge Crossing #1 2018 - Bond Ordinance MASTER (2018 - 40 : Cambridge Crossing Ph #1 Bond Ordinance)

DRAFT 7/30/2018

**§[PRINCIPAL]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASE #1 PROJECT)**

BOND PURCHASE AGREEMENT

_____, 2018

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 §[PRINCIPAL] aggregate principal amount of the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 Project)” (the “Bonds”), at a purchase price of \$ _____ (representing the aggregate principal amount of the Bonds, [plus a premium 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 and the Underwriter has financial and other interests that differ from any other party to this Agreement, (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 Phase #1 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 [August 1], 2018 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 _____, 2018 (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 Ordinance No. _____ enacted by the City Council of the City (the "City Council") on [August 14], 2018 (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 [August 1], 2018, 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 Phase #1 (consisting of approximately 108.523 acres within the District) of Cambridge Crossing Public Improvement District (the "District"). The District was established by Resolution No. 2017-10R (the "Creation Resolution"), enacted by the City Council on February 28, 2017, in accordance with the Act. A Service and Assessment Plan (the "Service and Assessment Plan") which sets forth the costs of the Phase #1 Improvements and the method of payment of the Assessments was adopted by the City Council on [August 14], 2018, pursuant to Ordinance No. _____ (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 costs of the “Phase #1 Improvements,” which consist of (a) Phase #1’s proportionate share of the costs of certain improvements that will benefit the entire District and (b) the costs of the local infrastructure benefitting only Phase #1 of the District, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #1 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 issuance of the Bonds.

3. Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds. 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. 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 Closing (as defined herein) 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. 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:

- (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 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,

(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) 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 _____, 2018 (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 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 an 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 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 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, (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 Lot Purchase and Sales Agreements,” “THE PHASE #1 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phase #1 Improvements and the Development, as defined in the Limited Offering Memorandum), “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “– The Developer’s Compliance with Prior Undertakings,” and “INFORMATION RELATING TO THE TRUSTEE.” If such notification shall be subsequent to the Closing, 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 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).

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:
 - (1) this Agreement;
 - (2) the Indenture;
 - (3) the PID Reimbursement Agreement (Cambridge Crossing) effective [August 14], 2018 executed and delivered by the City and Tollway/Outer Loop L.P., a Texas limited partnership (the “Developer”) (the “PID Reimbursement Agreement”);
 - (4) the Development Agreement (Cambridge Crossing), effective as of February 28, 2017, [as amended on May 8, 2018] executed and delivered by the City and the Developer (the “Development Agreement”); and
 - (5) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation effective as of _____, 2018 executed and delivered by the City, [the Trustee] and the Developer (the “Phase #1 Redemption/Waiver Agreement”);
 - (6) [the Landowner Agreement effective as of _____, 2018 executed and delivered by the City and the Developer (the “Landowner Agreement”);] and
 - (7) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of _____, 2018 (the “Continuing Disclosure Agreement of 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 Phase #1 Redemption/Waiver Agreement, (6) [the Landowner Agreement], (7) the Continuing Disclosure Agreement of Issuer, (8) the Limited Offering Memorandum, and (9) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (9) 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 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 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 Phase #1 Assessment Roll (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 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 Lot Purchase and Sales Agreements,” “THE PHASE #1 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phase #1 Improvements and the Development, as defined in the Limited Offering Memorandum), “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “– The Developer’s Compliance with Prior Undertakings,” 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 5 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 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 the 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 Lot Purchase and Sales Agreements,” “THE PHASE #1 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Landowner, the Phase #1 Improvements and the Development, as defined in the Limited Offering Memorandum), “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “– The Developer’s Compliance with Prior Undertakings,” 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 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 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 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 years, the City has complied in all material respects with its previous continuing disclosure undertaking 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.

7. Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from 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 (the “Developer Certificate”) as set forth in Section 10(e) hereof.

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 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 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 Developer as, in the opinions of James Melino, Esq., Dallas, Texas, the Developer's general counsel ("Developer's General Counsel"), and Shupe Ventura, PLLC, special counsel to the Developer ("Developer's Special 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 PID Reimbursement Agreement, the Development Agreement, the Phase #1 Redemption/Waiver Agreement, [the Landowner Agreement,] the Developer Letter of Representations, and the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of _____, 2018, 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 Developer," and, together with the PID Reimbursement Agreement, the Development Agreement, the Phase #1 Redemption/Waiver Agreement, [the Landowner Agreement,] and the Developer Letter of Representations, 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 Phase #1 Improvements and the District, 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 such Developer to pay the Assessments when due.

d. Concurrent Closing of the Phases #2-7 Major Improvement Bonds. The City shall issue concurrently with the issuance of the Bonds its "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement Project)," dated _____, 2018.

e. Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 10 below.

f. 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 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

(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.

10. 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 D 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 10(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 Bond Counsel has reviewed the statements and information appearing under the captions and subcaptions “PLAN OF FINANCE — The Bonds,” “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings,” “LEGAL MATTERS — Legal Opinions,” “CONTINUING DISCLOSURE – The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS 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, the Service and Assessment Plan 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 or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance, 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 PID Reimbursement Agreement, the Development Agreement, the Phase #1 Redemption/Waiver Agreement, [the Landowner Agreement,] the Continuing Disclosure Agreement of 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 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. Opinions of Developer's General Counsel and Special Counsel. (i) An opinion of Developer's General Counsel, substantially in the form of Appendix D-1 hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Attorney for the City, the Underwriter and the Trustee; and (ii) an opinion of Developer's Special Counsel, substantially in the form of Appendix D-2 hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Attorney for the City, the Underwriter, and the Trustee.

e. Developer Certificate. The Developer Certificate dated as of the Closing Date, signed by authorized officers of Developer in substantially the form of Appendix E hereto.

f. City 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 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 date of Closing and addressed to the Underwriter, the City and Bond Counsel, in form and substance acceptable to counsel for the Underwriter, 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, with full corporate power and authority to conduct its business and affairs as Trustee;

(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;

(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; and

(iv) 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. Trustee's Certificate. A customary authorization and incumbency certificate dated as of Closing, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter and Underwriter's Counsel.

i. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Orrick, Herrington & Sutcliffe LLP, counsel to the Underwriter, to the effect that:

(i) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, 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 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 did not extend beyond the date of the Limited Offering Memorandum), 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) as of the date of the Preliminary Limited Offering Memorandum and as of [____], 2018, 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 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, and (b) as of the date of the Limited Offering Memorandum and as of the date hereof, 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 any 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 about (i) with respect to the Preliminary Limited Offering Memorandum, any difference in information contained therein compared to what is contained in the Limited Offering Memorandum, whether or not related to pricing or sale of the Bonds, and whether any such difference is material and should have been included in the Preliminary Limited Offering Memorandum, and (ii) with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, 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, or any information about book-entry, DTC, 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 Issuer satisfies the requirements contained in S.E.C. Rule 15c2-12(b)(5) 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 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. 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 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.

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 Issuer and the Continuing Disclosure Agreement of Developer, shall have been executed by the parties thereto in substantially the forms attached to the Preliminary 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 the District dated _____, 2018.

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 Creation Resolution, including legal description of the District by metes and bounds and (ii) the Assessment Ordinance, including the assessment rolls 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 Texas Bank and Trust Company and any other lienholder on land in the District, in recordable form, 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 form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

t. Evidence of Ownership of Property. Evidence that on the date that the Assessment Ordinance was adopted all of the Phase #1 Assessed Property (as defined in the Service and Assessment Plan) was owned by the Developer or other development entities and that such landowners are not entities that may claim a homestead right under Texas law.

u. Rule 15c2-12 Certification. A resolution, an ordinance or 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 Rule 15c2-12 in connection with the offering of the Bonds.

v. 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 Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

w. BLOR. A copy of the Blanket 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 their 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 date of the Closing 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 General Counsel, Developer's Special Counsel, and the Trustee relating to the issuance of the Bonds; (iv) the Attorney General's review fees; (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Developer, including but not limited to the fees and expenses of the Appraiser and the PID Administrator; and (vi) the expenses incurred by or on behalf of City employees and representatives that are 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 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 ("Texas MAC") whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities. The estimated Texas MAC fee for this financing is \$[].

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., 100 Crescent Court, Suite 700, Dallas, Texas 75201, 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 Section 16 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 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.

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. Anti-Boycott Verification. The Underwriter represents that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, including, without limitation, 50 U.S.C. Section 4607, the Underwriter, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Underwriter (i) boycotts Israel or (ii) will boycott Israel through the term of this Agreement, which for the purposes of this Section shall mean the end of the underwriting period unless this Agreement is terminated in accordance with the provisions hereof. The terms “boycotts Israel” and “boycott Israel” as used in this paragraph have the meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code, as amended.

23. Iran, Sudan and Foreign Terrorist Organizations. The Underwriter represents that, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Subchapter F of Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Underwriter, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Underwriter is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code.

24. 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.

[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

Accepted at _____ a.m./p.m. central time on the
date first stated above.

City of Celina, Texas

By: _____
Mayor

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 2018

(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #1 PROJECT)

Interest Accrues From: Date of Delivery

\$ _____ % Term Bonds, Due _____, 20__, Priced to Yield _____% (a) (b) (c)

\$ _____ % Term Bonds, Due _____, 20__, Priced to Yield _____% (a) (b) (c)

\$ _____ % Term Bonds, Due _____, 20__, Priced to Yield _____% (a) (b) (c)

- (a) The initial reoffering prices or yields of the Bonds have been determined in accordance with the 10% test.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after _____, 20__, at the redemption price of 100% of the principal amount of such Bonds, or portion thereof, to be redeemed, plus accrued interest to date 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."
- The Term Bonds maturing _____, 20__, are also 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	_____ , 20__
<u>Redemption Date</u>		<u>Sinking Fund</u>
		<u>Installment</u>

The Term Bonds maturing _____, 20__, are also 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	_____ , 20__
<u>Redemption Date</u>		<u>Sinking Fund</u>
		<u>Installment</u>

The Term Bonds maturing _____, 20__, are also 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	_____ , 20__
<u>Redemption Date</u>		<u>Sinking Fund</u>
		<u>Installment</u>

Schedule I-1

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

**§[PRINCIPAL]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASE #1 PROJECT)**

DEVELOPER LETTER OF REPRESENTATIONS

_____, 2018

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

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 §[PRINCIPAL] “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 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, TOLLWAY/OUTER LOOP L.P., a Texas limited partnership (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 an 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 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 the information set forth under the captions “PLAN OF FINANCE — Development Plan” and “ – Status of Lot Purchase and Sales Agreements,” “THE PHASE #1 IMPROVEMENTS,” “THE DEVELOPMENT,” and “THE DEVELOPER” and, to the best of the Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phase #1 Improvements and the Development, as defined in the Limited Offering Memorandum), “LEGAL MATTERS — Litigation — The Developer” and “CONTINUING DISCLOSURE — The Developer” and “ — The Developer’s Compliance with Prior Undertakings.”

3. Developer Documents. 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 Developer, enforceable against Developer in accordance with its terms:

- a. this Developer Letter of Representation;
- b. that certain PID Reimbursement Agreement (Cambridge Crossing) dated _____, 2018 made by and between the Developer and the City;
- c. that certain Development Agreement (Cambridge Crossing), effective as of February 28, 2017, [as amended on May 8, 2018] made by and between the Developer and the City;
- d. that certain Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation effective as of _____, 2018 made by and among the City, [the Trustee] and the Developer (the “Phase #1 Redemption/Waiver Agreement”);

e. [that certain Landowner Agreement effective as of _____, 2018 made by and between the City and the Developer (the “Landowner Agreement”);] and

f. that certain Continuing Disclosure Agreement of the Developer, dated as of _____, 2018 made by and among the Developer, MuniCap, Inc., 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. The Developer is duly formed and validly existing as a limited partnership under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Developer provided by the 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 Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which Developer is 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 Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on such the ability of 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 Development in accordance with the description thereof in the Preliminary 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. The Developer represents and warrants that the information set forth in the Preliminary Limited Offering Memorandum under the captions “PLAN OF FINANCE — Development Plan” and “ – Status of Lot Purchase and Sales Agreements,” “THE PHASE #1 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER” and “CONTINUING DISCLOSURE

— The Developer” and “ — The Developer’s Compliance with Prior Undertakings,” and, to the best of the Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phase #1 Improvements and the Development, as defined in the Limited Offering Memorandum) and “LEGAL MATTERS — Litigation — The Developer” 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 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 Developer is a party described in the Preliminary Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Phase #1 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 Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “PLAN OF FINANCE — Development Plan” and “ – Status of Lot Purchase and Sales Agreements,” “THE PHASE #1 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phase #1 Improvements, and the Development), “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “— The Developer’s Compliance with Prior Undertakings,” 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 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.

**TOLLWAY/OUTER LOOP L.P.,
a Texas limited partnership**

By: Tollway/Outer Loop GP, LLC,
a Texas limited liability company
its general partner

By: LLC Manager, Inc.
a Texas corporation
its manager

By: _____
Name: _____

APPENDIX B

\$(PRINCIPAL)

CITY OF CELINA, TEXAS,

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018

(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT

PHASE #1 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 distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail 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 {SALE DATE}.

(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).

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

Dated: _____

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING
PRICES OF THE HOLD-THE -OFFERING-PRICE MATURITIES

Attachment: Celina - Cambridge Crossing #1 2018 - Bond Ordinance MASTER (2018 - 40 : Cambridge Crossing Ph #1 Bond Ordinance)

SCHEDULE B
PRICING WIRE AND EQUIVALENT COMMUNICATIONS

APPENDIX C

[LETTERHEAD OF MESSER, ROCKEFELLER & FORT]

[CLOSING DATE]

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

U.S. Bank National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

\$[PRINCIPAL]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #1 PROJECT)

Ladies and Gentlemen:

We are the Attorney for the City of Celina, Texas (the “City”) for limited purposes, and are rendering this opinion in connection with the issuance and sale of \$[PRINCIPAL] “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 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 _____, 2018 (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 [August 1], 2018 (the “Indenture”) by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed the:

(a) The Resolution No. 2018-10R (the “Creation Resolution”) enacted by the City Council on February 28, 2018;

(b) The Ordinance No. _____ accepted and approved by City Council on _____, 2018, and the Service and Assessment Plan attached as an exhibit thereto (the “Assessment Ordinance”), as such Service and Assessment Plan was updated by the Bond Ordinance;

- (c) The Bond Ordinance;
- (d) The Indenture;
- (e) The PID Reimbursement Agreement (Cambridge Crossing) effective _____, 2018, executed and delivered by the City and Tollway/Outer Loop L.P., a Texas limited partnership (the “Developer”) (the “PID Reimbursement Agreement”);
- (f) The Development Agreement, effective as of February 28, 2018, executed and delivered by the City and the Developer (“Development Agreement”);
- (g) The Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation effective as of _____, 2018 executed and delivered by the City, [the Trustee] and the Developer (the “Phase #1 Redemption/Waiver Agreement”);
- (h) [The Landowner Agreement effective as of _____, 2018 executed and delivered by the City and the Developer (the “Landowner Agreement”);] and
- (i) The Continuing Disclosure Agreement of the Issuer, dated as of _____, 2018, executed and delivered by the City and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”) (the “Continuing Disclosure Agreement of City”).

The Creation Resolution, the Assessment Ordinance and Bond Ordinance shall herein after be referred to as the “Authorizing Documents” and the remaining documents shall herein after be collectively referred to as the “City Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the City Documents by all parties other than the City.

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 Authorizing Documents and the City 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 City 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 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 City 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 City 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 City 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, and (c) the application of Texas 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 City Documents will not violate any provision of any Federal or Texas 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 City Documents.

7. The City has duly authorized, executed 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 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 Compliance with Prior Undertakings" and "APPENDIX A" is a fair and accurate summary of the law relating to collection and enforcement of Assessments and the documents and facts summarized therein.

9. The adoption of the Authorizing Documents and the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City 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.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

JULIE FORT
ATTORNEY FOR THE CITY

APPENDIX D-1

[LETTERHEAD OF JAMES MELINO, ESQ.]

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-2784

U.S. Bank National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240

Messer, Rockefeller & Fort
6351 Preston Road, Suite 350
Frisco, Texas 75034

[TO BE PROVIDED]

APPENDIX D-2

[LETTERHEAD OF SHUPE VENTURA, PLLC
SPECIAL COUNSEL TO THE DEVELOPER]

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-2784

U.S. Bank National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240

Messer, Rockefeller & Fort
6351 Preston Road, Suite 350
Frisco, Texas 75034

[TO BE PROVIDED]

EXHIBIT E**CLOSING CERTIFICATE OF DEVELOPER**

Tollway/Outer Loop L.P., a Texas limited partnership (“Developer”), DOES 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 Developer is a limited partnership organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of 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 2018 (Cambridge Crossing Public Improvement District Phase #1 Project) (the “Bonds”), pursuant to the District’s Preliminary Limited Offering Memorandum, dated _____, 2018, and Limited Offering Memorandum dated _____, 2018 (together, the “Limited Offering Memorandum”).

3. 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 and are in full force and effect as of the date hereof.

4. The Developer has 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 Developer.

5. 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 Developer, enforceable against Developer in accordance with its terms:

- (a) that certain Developer Letter of Representations dated _____, 2018;
- (b) that certain PID Reimbursement Agreement (Cambridge Crossing) dated _____, 2018 made by and between the Developer and the City;
- (c) that certain Development Agreement (Cambridge Crossing), effective as of February 28, 2017, [as amended on May 8, 2018] made by and between the Developer and the City;
- (d) that certain Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation effective as of _____, 2018 made by and among the City, [the Trustee] and the Developer (the “Phase #1 Redemption/Waiver Agreement”);

(e) [that certain Landowner Agreement effective as of _____, 2018 made by and between the City and the Developer (the “Landowner Agreement”);] and

(f) that certain Continuing Disclosure Agreement of the Developer, dated as of _____, 2018 made by and among the Developer, MuniCap, Inc., and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

6. 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.

7. The execution and delivery of the Developer Documents by the Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which 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 such the ability of 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 Development in accordance with the description thereof in the Limited Offering Memorandum.

8. The Developer has reviewed and approved the information contained in the Limited Offering Memorandum under the captions “PLAN OF FINANCE – Development Plan” and “ – Status of Lot Purchase and Sales Agreements,” “THE PHASE #1 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phase #1 Improvements, and the Development), “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE — The Developer” and “— The Developer’s Compliance with Prior Undertakings”, 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 Developer and the portion of the Development owned by such 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 Limited Offering Memorandum.

9. To the best of our knowledge, the Developer is 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) to the best of our knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon 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 such portion of the land within the District 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 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.

11. The levy of the Assessments (as defined in the Limited Offering Memorandum) on Phase #1 of the District owned by Developer will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which Developer is a party or to which Developer or any of its property or assets is subject.

12. 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 development of the Development.

Dated: _____, 2018

DEVELOPER:

**TOLLWAY/OUTER LOOP L.P.,
a Texas limited partnership**

By: Tollway/Outer Loop GP, LLC,
a Texas limited liability company
its general partner

By: LLC Manager, Inc.
a Texas corporation
its manager

By: _____
Name: _____

APPENDIX F

[LETTERHEAD OF APPRAISER]

[DATE]

City of Celina, Texas
 142 N. Ohio Street
 Celina, Texas 76201

FMSbonds, Inc.
 100 Crescent Court, Suite 700
 Dallas, Texas 75201

Norton Rose Fulbright US LLP
 2200 Ross Avenue, Suite 3600
 Dallas, Texas 75201-2784

U.S. Bank National Association
 13737 Noel Road, Suite 800
 Dallas, Texas 75240

Re: City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018
 (Cambridge Crossing Public Improvement District Phase #1 Project) (the
 “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, representative of Jackson Claborn, Inc. (“Jackson Claborn”), the appraiser of the undeveloped property contained in Cambridge Crossing Public Improvement District (the “District”), does hereby represent the following:

1. Jackson Claborn has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated _____, 2018, and the Limited Offering Memorandum for the Bonds, dated on or about _____, 2018 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Celina, Texas, as described above. The information Jackson Claborn has provided is the real estate appraisal of the property in the District, located in APPENDIX F to the Limited Offering Memorandum, and the description thereof, set forth under the caption “APPRAISAL OF PROPERTY WITHIN 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. Jackson Claborn 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. Jackson Claborn 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 _____, 2018) 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,

Jackson Claborn, Inc.

By: _____
Its: _____

APPENDIX G

[LETTERHEAD OF PID ADMINISTRATOR]

[DATE]

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-2784

U.S. Bank National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240

Re: City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018
(Cambridge Crossing Public Improvement District Phase #1 Project) (the
“Bonds”)

Ladies and Gentlemen:

The undersigned, _____, representative of MuniCap, Inc. (“MuniCap”), consultant in connection with the creation by the City of Celina, Texas (the “City”), of Cambridge Crossing Public Improvement District (the “District”), does hereby represent the following:

1. MuniCap has supplied certain information contained in the Preliminary Limited Offering Memorandum, dated _____, 2018 (the “Preliminary Limited Offering Memorandum”), and the final Limited Offering Memorandum, dated on or about _____, 2018 (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 MuniCap provided for the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is located (a) under the caption “ASSESSMENT PROCEDURES — Assessment Methodology” and “ — Assessment Amounts,” (b) under the caption “THE PID ADMINISTRATOR” and (c) in the Service and Assessment Plan (the “SAP”) for the City located in APPENDIX C 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 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. MuniCap agrees to the inclusion of the SAP in the Limited Offering Memorandum and to the use of its name in the Limited Offering Memorandum for the Bonds.

4. MuniCap 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 _____, 2018) 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: _____

EXHIBIT C
CONTINUING DISCLOSURE AGREEMENT

Attachment: Celina - Cambridge Crossing #1 2018 - Bond Ordinance MASTER (2018 - 40 : Cambridge Crossing Ph #1 Bond Ordinance)

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASE #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement dated as of _____, 2018 (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. (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 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 [August 1], 2018, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall mean the employee or designee of the Issuer, identified in any Indenture, the District’s Service and Assessment Plan, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected MuniCap, Inc., as the initial Administrator.

“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 provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Assessments” 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 Tollway/Outer Loop L.P., a Texas limited partnership, and its successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer, relating to the Bonds, dated as of _____, 2018 executed and delivered by the Developer, the Administrator 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 Cambridge Crossing Public Improvement District.

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

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

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Material” shall have the meaning ascribed in 17 C.F.R. § 270.8b-2: “when used to qualify a requirement for the furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before buying or selling any security of the particular company.”

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

“Phase #1” shall mean the first phase of the development within the District.

“Outstanding” shall mean, as of any particular date when used with reference to 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 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 registered owner of any Bonds.

“Participating Underwriter” means FMSbonds, Inc., and its successors and assigns.

“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.

“Tax-exempt” shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax liability.

“Trustee” shall mean U.S. Bank National Association or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Bond Disclosure 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 ending September 30, 2018, 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, however, if the audited financial statements are not complete within such period, 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 date specified in Section 4 of this Disclosure Agreement for providing the Annual Issuer Report to the MSRB, 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.

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 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 that a Listed Event as described in Section 5 hereof has occurred and 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, 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 "SAP Update"), including any changes to the methodology for levying the Assessments in Phase #1.

(iii) Until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Assessments levied within Phase #1, such SAP Update shall include, the number of new homes completed in Phase #1 during such Fiscal Year and the aggregate number of new homes completed within Phase #1 since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2018.

(iv) Listing of any property or property owners in the District representing more than five percent (5%) of the levy of Assessments, the amount of the levy of Assessments against such landowners, and the percentage of such Assessments relative to the entire levy of Assessments within the District, all as of the October 1 billing date for the succeeding Fiscal Year.

(v) The individual and aggregate taxable assessed valuation for parcels or lots within Phase #1 based on the most recent certified tax roll available to the Issuer.

(vi) The current or delinquent status of the payment of the Assessment for each parcel or lot in Phase #1 as of February 15 of the calendar year immediately succeeding such Fiscal Year.

(vii) The total amount of (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 Assessments 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).

(viii) If the total amount of delinquencies greater than 150 days equals or exceeds ten percent (10%) of the amount of Assessments due in any fiscal year, a list of delinquent property owners.

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

(x) 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.

(xi) Any changes to the land use designation for the property in the District that might negatively impact its development for those purposes identified in the final Amended and Restated Service and Assessment Plan, as the same may be amended and supplemented from time to time.

(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 paragraph. 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.
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.

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.

Whenever the Issuer obtains knowledge of 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 immediately 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 provided such notice is delivered to the Dissemination Agent by 2:00 P.M. central standard time on any such day. 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. 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.

(a) The Dissemination Agent shall, within three (3) 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. 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.

(b) 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, 10, 13, or 14 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 (d).

(c) 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 Bond Disclosure 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 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), 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. 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 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. 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.

SECTION 12. Assessment Timeline. 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 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, 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. Anti-Boycott Verification. To the extent this Disclosure Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, the Dissemination Agent represents that the Dissemination Agent nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Dissemination Agent (i) boycotts Israel or (ii) will boycott Israel through the term of this Disclosure Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. To the extent this Disclosure Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law the Dissemination Agent represents that the Dissemination Agent nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Dissemination Agent is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code.

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.

[remainder of page left blank intentionally]

CITY OF CELINA, TEXAS

By: _____
Mayor

Attachment: Celina - Cambridge Crossing #1 2018 - Bond Ordinance MASTER (2018 - 40 : Cambridge Crossing Ph #1 Bond Ordinance)

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(PHASE #1)

HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.
(as Dissemination Agent)

By: _____
Authorized Officer

Attachment: Celina - Cambridge Crossing #1 2018 - Bond Ordinance MASTER (2018 - 40 : Cambridge Crossing Ph #1 Bond Ordinance)

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(PHASE #1)

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 2018
 (Cambridge Crossing Public Improvement District Phase #1
 Project)
 CUSIP Nos. [insert CUSIP NOs.]
 Date of Delivery: _____, 20__

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, relating to the above-referenced Bonds, dated _____, 2018, 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

EXHIBIT B

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASE #1 PROJECT)**

ANNUAL BOND DISCLOSURE 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

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	_____
Debt to Value Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

ITEMS REQUIRED BY SECTION 4(a)(ii) - (xii)

[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		Assessments are due.
February 1	1	Assessments Delinquent if not received. Issuer forwards payment to Trustee for all collections received as of February 1, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
February 15	15	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 during 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 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

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Assessments, which dates and procedures are subject to adjustment by the Issuer.

March 1

28/29

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 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

47/48

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 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 Assessments.

July 1

150/151

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.
July 15	165/166	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.
August 1	181/182	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 August 1 (day 181/182).
August 15	206/207	Foreclosure action to be filed with the court.
August 30	221/222	Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status. Dissemination Agent notifies bondholders.
September 15	237/238	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 Assistant City Manager 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 Assessments.



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Paul DeBuff, Assistant to the City Manager
 CC: Jason Laumer, City Manager
 Date: August 14, 2018
 Re: Ordinance approving Cambridge Crossing SAP & Ph 1 Roll

Action Requested:

Consider and act upon an ordinance of the City Council of the City of Celina, Texas accepting and approving a Service and Assessment Plan and Phase #1 assessment roll for Cambridge Crossing Public Improvement District; making a finding of special benefit to the property in the Phase #1 of the District; levying assessments against property within the District and establishing a lien on such property; providing for the method of assessment and the payment of the Phase #1 Major Improvement Assessments in accordance with Chapter 372, Texas Local Government Code, as amended. (DeBuff)

Background Information:

Celina City Council authorized the establishment of the Cambridge Crossing PID on February 28, 2017, with authorization of up to \$80,000,000 in bonds for the District to finance certain public improvements to benefit the property in the District.

This ordinance Approval of Service and Assessment Plan and related assessment roll for Phase #1 for Cambridge Crossing Public Improvement District (PID).

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Ordinance
- Updated Service & Assessment Plan

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. 2018-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS ACCEPTING AND APPROVING A SERVICE AND ASSESSMENT PLAN AND PHASE #1 ASSESSMENT ROLL FOR THE CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN PHASE #1 OF THE DISTRICT; LEVYING ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE PHASE #1 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 January 3, 2017, 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 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 Collin Central Appraisal District and the signatures of the property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property within the District that is liable for assessment; and

WHEREAS, on February 28, 2017, 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. 2017-10R (the "Authorization Resolution") adopted by a majority of the members of the City Council, authorized and created the Cambridge Crossing Public Improvement District (the "District") in accordance with its finding as to the advisability of the Authorized Improvements; and

WHEREAS, the City published the Authorization Resolution as required by law; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary; and

WHEREAS, on July 10, 2018, the Council adopted a resolution approving the preliminary service and assessment plan, including proposed assessment rolls; calling for a public hearing to consider an ordinance levying assessments on property within Phase #1 of the District (the "Phase #1 Assessments"); authorizing and directing the City Secretary of the City to file the proposed assessment rolls and make such rolls available for public inspection;

authorizing and directing the publication of notice of a public hearing to consider the levying of the Phase #1 Assessments against the property within Phase #1 of 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, the City Secretary filed the Phase #1 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 in *The Celina Record*, a newspaper of general circulation in the City and in the extraterritorial jurisdiction in which the improvements are to be undertaken; 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 Phase #1 Assessments; and

WHEREAS, the City Council opened the Levy and Assessment Hearing at the August 14, 2018 regular meeting of the City Council and all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Phase #1 Assessment Roll, and the proposed Phase #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Phase #1 Assessments, the allocation of the Actual Costs of the Authorized Improvements to be undertaken for the benefit of all property to be assessed within Phase #1 of the District (the "Phase #1 Improvements"), the purposes of the Phase #1 Assessments, the special benefits of the Phase #1 Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Phase #1 Assessments; and

WHEREAS, the City Council finds and determines that the Phase #1 Assessment Roll and the Cambridge Crossing Public Improvement District Service and Assessment Plan, dated August 14, 2018 in a form substantially similar to the attached **Exhibit A**, which final form shall be approved by the City Manager, the City's land use attorney and the City's bond counsel prior to execution (the "Service and Assessment Plan"), and which is incorporated herein for all purposes, should be approved and that the Phase #1 Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan and the Phase #1 Assessment Roll attached thereto as Appendix F (the "Phase #1 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 Authorized Improvements as described in the Service and Assessment Plan (the "Authorized Improvements"), which Authorized Improvements include the Phase #1 Improvements, the Phase #1 Assessment Roll, and the levy of the Phase #1 Assessments; and

WHEREAS, prior to the issuance of bonds secured by the Phase #1 Assessments, the owners (the “Landowners” or the “Assessed Parties”), or their representatives, of the majority of the privately-owned and taxable property located within the District, and who are the persons to be assessed pursuant to this Ordinance, appeared at the public hearing and stated they approve and accept the Service and Assessment Plan, approve the Phase #1 Assessment Roll, approve this Ordinance and approve the levy of the Phase #1 Assessments against their property located within the District, agree to pay the Phase #1 Assessments when due and payable and requested that the City file the Service and Assessment Plan and/or the assessment roll with the real property records of Collin County; 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 Authorized Improvements (as reflected in the Service and Assessment Plan, and the Administrative Expenses pursuant to the Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each assessed Parcel will receive from the construction of the Authorized 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 Authorized Improvements;

(c) The Service and Assessment Plan apportions the Actual Cost(s) of an Authorized Improvement to be assessed against the property in the District and such apportionment is made on the basis of special benefits accruing to the property because of the Authorized Improvements;

(d) All of the real property in Phase #1 of the District which is being assessed in the amounts shown in the Phase #1 Assessment Roll will be benefited by the Phase

#1 Improvements proposed to be constructed as described in the Service and Assessment Plan, and each assessed Parcel within Phase #1 of the District will receive special benefits in each year equal to or greater than each annual Phase #1 Assessments and will receive special benefits during the term of the Phase #1 Assessments equal to or greater than the total amount assessed;

(e) The method of apportionment of the Actual Costs of the Authorized Improvements and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Authorized 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 Phase #1 Assessment Roll should be approved as the Phase #1 Assessment Roll for the District;

(h) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Phase #1 Assessments, interest on Annual Installments, interest and penalties on delinquent Phase #1 Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Phase #1 Assessments should be approved and will expedite collection of the Phase #1 Assessments in a timely manner in order to provide the services and improvements needed and required for the area within 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. Phase #1 Assessment Roll.

The Phase #1 Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Phase #1 Assessment Roll of the District.

Section 5. Levy and Payment of Phase #1 Assessments for Costs of the Phase #1 Improvements.

(a) The City Council hereby levies an assessment on each Parcel of property (excluding Non-Benefitted Property) located within the Phase #1 of the District, as shown and described in the Service and Assessment Plan and the Phase #1 Assessment Roll, in the respective amounts shown on the Phase #1 Assessment Roll as an Assessment on the properties set forth in the Phase #1 Assessment Roll.

(b) The levy of the Phase #1 Assessments shall be effective on the date of execution of this Ordinance levying Phase #1 Assessments and strictly in accordance with the terms of the Service and Assessment Plan and the PID Act.

(c) The collection of the Phase #1 Assessments shall be as described in the Service and Assessment Plan and the PID Act.

(d) Each Phase #1 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 Phase #1 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 Phase #1 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 Actual Costs of the Authorized Improvements and Administrative Expenses are set forth in the Service and Assessment Plan.

Section 7. Penalties and Interest on Delinquent Phase #1 Assessments.

Delinquent Phase #1 Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

Section 8. Prepayments of Phase #1 Assessments.

As provided in Section VI of the Service and Assessment Plan, the owner of any Phase #1 Assessed Property may prepay the Phase #1 Assessments levied by this Ordinance.

Section 9. Lien Priority.

The City Council and the Landowners intend for the obligations, covenants and burdens on the landowners of Phase #1 Assessed Property, including without limitation such Landowners' obligations related to payment of the Phase #1 Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Phase #1 Assessments and the Annual Installments thereof which are levied hereby shall be binding upon

the Assessed Parties, as the owners of Phase #1 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. Phase #1 Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 10. Appointment of Administrator and Collector of Assessments.

(a) **Appointment of Administrator.**

MuniCap, Inc. is hereby appointed and designated as the initial Administrator of the Service and Assessment Plan and of Phase #1 Assessments levied by this Ordinance (the "Administrator"). 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 Temporary Collector.**

The City's Director of Finance is hereby appointed and designated as the temporary collector of the Phase #1 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 Collin County Tax Assessor and Collector, or another qualified collection agent 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 Phase #1 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/or the Phase #1 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 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 Phase #1 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]

PASSED AND ADOPTED, this August 14, 2018.

CITY OF CELINA, TEXAS

Sean Terry, Mayor

ATTEST:

City Secretary

(City Seal)

STATE OF TEXAS

§
§
§

COUNTY OF COLLIN

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

Notary Public, State of Texas

(SEAL)

EXHIBIT A

Service and Assessment Plan

**CAMBRIDGE CROSSING
PUBLIC IMPROVEMENT DISTRICT
SERVICE AND ASSESSMENT PLAN**

August 6, 2018

CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN

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Appendix B	Estimated Costs of the Authorized Improvements
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Appendix D	Lot Types and Equivalent Units
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Appendix F	Phase #1 Assessment Roll

Section I PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On February 28, 2017 (the “Creation Date”) the City Council of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2017-10R approving and authorizing the creation of the Cambridge Crossing Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in the PID (the “Authorized Improvements”), all of which is located within the City of Celina.

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

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

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

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

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

B. Definitions

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

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (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. 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” has the meaning set forth in Section V.G of this Service and Assessment Plan.

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

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

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

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

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

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

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

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

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

“Assessment Roll” means, as applicable, the Phases #2 - 7 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, an Assessment Roll for Phases #2 - 7 of development or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

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

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

“Certification for Payment” means the certificate to be provided by the Developer, or his

designee, to substantiate the Actual Cost of one or more Authorized Improvements. “

“**City**” means the City of Celina, Texas.

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

“**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 Tollway/Outer Loop, L.P., a Texas limited partnership, and any successor owner of the Property or any portion thereof with obligation to construct all or a portion of the Authorized Improvements.

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

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

“**Homeowner Association**” means a homeowner’s association or property owners’ association established for the benefit of property owners within the boundaries of the PID.

“**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.

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

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

“**Maximum Assessment Per Unit**” mean the Assessment amount per Lot Type shown in Section V.E.

“**Major Improvements**” or “**MI**” mean the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

“**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 at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI. E.

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

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

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

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

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

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

“Phase #1 Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 Project)" that are secured primarily by Phase #1 Assessment Revenues.

“Phase #1 Improvements” mean (i) the pro rata portion of the Major Improvements allocable to Phase #1, and (ii) the Phase #1 Projects, which are described in Section III.C.

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

“Phased PID Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Phase. In connection with the Phased PID Bonds, Assessments will be levied only on Parcels located within the Phase in question.

“Phases #2 - 7” mean the property within the PID excluding Phase #1 which is to be developed subsequent to Phase #1 and generally depicted in Appendix A of this Service and Assessment Plan

or any Annual Service Plan Update.

“Phases #2 - 7 Major Improvements” mean the pro rata portion of the Major Improvements allocable to Phases #2 - 7, which are described in Section III.

“Phases #2 - 7 Major Improvement Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments levied against Phases #2 - 7 Major Improvement Assessed Property, or the Annual Installments thereof, for the Major Improvements.

“Phases #2 - 7 Major Improvement Assessed Property” means, for any year, all Parcels within the PID other than (a) Non-Benefited Property, and (b) Parcels within Phase #1.

“Phases #2 - 7 Major Improvement Assessment Roll” means the document included in this Service and Assessment Plan as Appendix E, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phases #2 - 7 Major Improvement Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2 - 7 Major Improvement Project)" that are secured primarily by Phases #2 - 7 Major Improvement Assessment Revenues.

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

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

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

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

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

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

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

“Zoning Ordinance” means Ordinance No. 2016-32 adopted by the City Council on April 12, 2016, which ordinance establishes the permitted uses of, and standards for the development of the property within the PID.

Section II PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID is presently located within the City and contains approximately 484.074 acres of land, generally located directly north of County Road 7, directly east of County Road 6, south of FM 428, and west of Dallas Parkway. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 1,528 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (1,528) is based upon the proposed development plan.

B. Property Included in Phase #1 and Phases #2 - 7

Phase #1 consists of approximately 108.523 acres and is projected to consist of 330 single family residential units, to be developed as Phase #1, as further described in Section III. Phases #2 - 7 consist of approximately 334.675 acres and are projected to consist of approximately 1,198 residential units. A map of the property within Phase #1 and Phases #2 - 7 and depicting the boundaries of each proposed Phase is shown in Appendix A.

C. Property Included in Future Phases

As Future Phases are developed, Phased PID Bonds may be issued for each new phase. In connection with the issuance of each new Phased PID Bonds, this Service and Assessment Plan will be updated to add additional details of each new Phase(s) as shown for Phase #1 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix E and Appendix F.

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

Section III DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. Authorized Improvement Overview

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

372.003. Authorized Improvements

- (a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.
- (b) A public improvement may include:
 - (i) landscaping;
 - (ii) erection of fountains, distinctive lighting, and signs;
 - (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
 - (iv) construction or improvement of pedestrian malls;
 - (v) acquisition and installation of pieces of art;
 - (vi) acquisition, construction, or improvement of libraries;
 - (vii) acquisition, construction, or improvement of off-street parking facilities;
 - (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
 - (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
 - (x) the establishment or improvement of parks;
 - (xi) projects similar to those listed in Subdivisions (i)-(x);
 - (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
 - (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and

- (xiv) payment of expenses incurred in the establishment, administration and operation of the district.

After analyzing the public improvement projects authorized by the PID Act, the City has determined that the Authorized Improvements as described in Appendix B and shown on the diagram included as Appendix C should be undertaken by the City for the benefit of the property within the PID.

B. Description of Estimated Costs of Major Improvements

The Major Improvements benefit the entire PID. The costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units.

The Major Improvements descriptions are presented below as provided by the project engineer. The costs of the Major Improvements are shown in Table III-A. The costs shown in Table III-A are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID. To the extent that an Authorized Improvement is oversized or otherwise provides special benefit to property outside of the PID, the costs of such oversizing are not included in this SAP.

Road Improvements:

The major roadway improvements 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 major water distribution system improvements 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 City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Collection System Improvements:

The major sanitary sewer collection system improvements 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 City standards and specifications and will be owned and operated by the City.

Storm Drainage Collection System Improvements

The major storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. 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-A
Estimated Major Improvement Costs

Authorized Improvements	Total Estimated Major Improvement Costs
Road improvements	\$7,252,340
Estimated Right-of-Way	<u>\$3,240,000</u>
<i>Subtotal: Road improvements including Right-of-Way</i>	<i>\$10,492,340</i>
Water distribution system improvements	\$1,020,500
Sanitary sewer collection system improvements	\$1,422,020
Storm drainage collection system improvements	\$1,047,000
Soft costs including City, professional and miscellaneous soft costs	\$364,333
Total – Estimated Major Improvement Costs	\$14,346,193

The costs shown in Table III-A are current estimates and may be revised in Annual Service Plan Updates.

C. Description of Estimated Costs of Phase #1 Improvements

The Phase #1 Improvements include a proportional share of the Major Improvements described above and the Phase #1 Projects that benefit only Phase #1. The description of the Phase #1 Projects are presented below as provided by the project engineer. The costs of the Phase #1 Projects are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Road Improvements:

The Phase #1 roadway improvements 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 Phase #1 water distribution system improvements 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 City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Collection System Improvements:

The Phase #1 sanitary sewer collection system improvements 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 City standards and specifications and will be owned and operated by the City.

Table III-B
Estimated Phase #1 Improvement Costs

Authorized Improvements	Total Estimated Phase #1 Improvement Costs
Road improvements	\$2,543,000
Water distribution system improvements	\$1,097,000
Sanitary sewer collection system improvements	\$1,003,000
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$194,000
<i>Subtotal – Estimated Phase #1 Projects</i>	<i>\$4,837,000</i>
Add: Proportional share of estimated Major Improvement Costs ¹	\$3,148,382
Total Estimated Phase #1 Improvement Costs	\$7,985,382

¹ See Section V(C) for allocation of Major Improvement costs to Phase #1.

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

The costs shown in Tables III-A and III-B are estimates and may be revised in Annual Service Plan Updates. The detailed costs of the Authorized Improvements are shown in Appendix B to this Service and Assessment Plan. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID).

D. Future Phase Authorized Improvements

As Phases are developed, additional Bonds for Future Phases will be issued to finance additional Authorized Improvements for each Future Phase. As Phased PID Bonds are issued for each Future Phase, this Service and Assessment Plan will be updated to identify the specific Authorized Improvements financed by such Phased PID Bonds that benefit each Phase (e.g., a Table III-C will be added to show the estimated costs for phase #2 Authorized Improvements, etc.).

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Section IV SERVICE PLAN

A. Sources and Uses of Funds

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five-year period. It is anticipated that it will take approximately 18 months to construct the Major Improvements and approximately 18 months for the Phase #1 Improvements to be constructed. At some point after all or a portion of the Major Improvements and Phase #1 Improvements are constructed, phase #2 will begin development. After phase #2 is developed, it is anticipated that Phase #3 will begin development, with each Future Phase to be subsequently developed corresponding to the Service and Assessment Plan to be updated with that development.

The estimated costs for Major Improvements allocable to Phases #2 – 7 and Phase #1 Improvements plus costs related to the issuance of the Bonds, in one or more series, for the Major Improvements allocable to Phases #2 – 7 and Phase #1 Improvements and payment of expenses incurred in the establishment, administration and operation of the PID is \$24,299,920 as shown in Table IV-A. The sources and uses of funds shown in Table IV-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

As Future Phases are developed in connection with the issuance of Phased PID Bonds, this Service and Assessment Plan will be amended (e.g. Table IV-A will be amended to add phase #2, etc.).

Bonds are being issued starting in 2018 to finance the Major Improvements allocable to Phases #2 – 7 and Phase #1 Improvements. Table IV-A shows the sources and uses of the Bonds. The Phase #1 Bonds are being issued to finance a portion of the Phase #1 Improvements, including costs to issue the Phase #1 Bonds, as shown in Table IV-A. Proceeds of the Phase #1 Bonds will be used to construct or acquire a portion of the Phase #1 Improvements.

Table IV-A
Estimated Sources and Uses

Sources of Funds	Phases #2- 7 Major Improvement Bonds	Phase #1 Bonds	Total
Par amount	\$13,795,000	\$9,555,000	\$23,350,000
Other funding sources	\$453,138	\$496,782	\$949,920
Total Sources	\$14,248,138	\$10,051,782	\$24,299,920
Uses of Funds			
<u><i>Major Improvements</i></u>			
Road improvements including Right-of-Way	\$8,189,716	\$2,302,624	\$10,492,340
Water distribution system improvements	\$796,543	\$223,957	\$1,020,500
Sanitary sewer improvements	\$1,109,947	\$312,073	\$1,422,020
Storm drainage improvements	\$817,228	\$229,772	\$1,047,000
Other soft and miscellaneous costs	\$284,376	\$79,957	\$364,333
Subtotal	\$11,197,811	\$3,148,382	\$14,346,193
<u><i>Phase #1 Projects</i></u>			
Road improvements	\$0	\$2,543,000	\$2,543,000
Water distribution system improvements	\$0	\$1,097,000	\$1,097,000
Sanitary sewer improvements	\$0	\$1,003,000	\$1,003,000
Storm drainage improvements	\$0	\$0	\$0
Other soft and miscellaneous costs	\$0	\$194,000	\$194,000
Subtotal	\$0	\$4,837,000	\$4,837,000
Estimated Bond issue costs	\$3,050,327	\$2,066,400	\$5,116,727
Total Uses	\$14,248,138	\$10,051,782	\$24,299,920

Notes: Phase #1 Improvements include the Phase #1 Projects described in Section III.C plus the estimated \$3,148,382 pro rata share of the Major Improvements allocated to Phase #1.

The Phases #2 - 7 Major Improvement Bonds shown in Table IV-A are anticipated to be issued in 2018. The Phases #2 - 7 Major Improvement Bonds to be issued in 2018 will be used to pay and/or reimburse the Developer for a portion of the costs of Phases #2 - 7 Major Improvements.

The Phase #1 Improvement Bonds shown in Table IV-A are anticipated to be issued in 2018. The Phase #1 Improvement Bonds to be issued in 2018 will be used to pay and/or reimburse the Developer for a portion of the costs of the Phase #1 Improvements and the pro rata share of the Major Improvements.

As Future Phases are developed, additional Bonds will be issued for each new future phase improvements. Phased PID Bonds for Phase #2 will be issued to finance the Authorized Improvements required for Phase #2, Phased PID Bonds for Phase #3 will be issued to finance the Authorized Improvements required for Phase #3 and so on as each future phase is developed. Each Phased PID Bond may also be issued in one or more series of Bonds.

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

Table IV-B
Annual Projected Costs, Annual Projected Indebtedness and Five Year Projected Service Plan

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds	Projected Five Year Annual Installments - Phase #1 ^a	Projected Five Year Annual Installments - Phases #2 – 7 ^b
2018	\$24,299,920	\$23,350,000	\$949,920	\$608,300	\$897,188
2019	\$0	\$0	\$0	\$609,000	\$897,888
2020	\$0	\$0	\$0	\$749,714	\$1,098,602
2021	\$0	\$0	\$0	\$752,042	\$1,101,830
2022	\$0	\$0	\$0	\$748,785	\$1,099,135
Total	\$24,299,920	\$23,350,000	\$949,920	\$3,467,841	\$5,094,641

(a) – See Appendix F for detail breakdown of the Phase #1 Annual Installments for each year. (b) - See Appendix E for detail breakdown of the Phases #2 – 7 Major Improvement Annual Installments for each year.

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Major Improvements shown in Table III-A, the Phase #1 Improvements shown in Table III-B, and the costs associated with setting up the PID and bond issuance costs including reserves shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer. As Future Phases are developed, in association with issuing Phased PID Bonds for each Future Phase, this Table IV-B will be updated to identify the Authorized Improvements to be financed by each new series of the Phased PID Bonds and the projected indebtedness resulting from each additional series of the Phased PID Bonds.

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Section V ASSESSMENT PLAN

A. Introduction

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

The proposed bond issuance program entails a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Phase #1 Bonds and the Phases #2 - 7 Major Improvement Bonds to be issued in 2018, subsequent financings are to be issued over the upcoming decade as the subsequent phases (e.g. Phases #2 and #3) of the development are gradually constructed.

The purpose of this gradual issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The 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 Bonds when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

Additionally, phased issuance of debt will maintain a prudent value to lien ("VtL") within the financing program. In order to maintain a prudent VtL, the initial issuance of bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt 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 special 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.

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

1. The Major Improvement and Phase #1 Improvement costs shall be allocated on the basis of the relative value of Parcels once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The City Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and

receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council has taken into consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home process provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the Authorized Improvements.

3. The Assessed Property is classified into different Lot Types as described in Appendix D based on the type and size of proposed development on each Parcel.
4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.
5. The Major Improvement costs are proportionally allocated to the Phases #2 - 7 Major Improvement Assessed Property and the Phase #1 Assessed Property based on the ratio of total projected Equivalent Units for the Phases #2 - 7 Major Improvement Assessed Property and the Phase #1 Assessed Property.
6. The Phases #2 - 7 Major Improvement Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2 - 7 Major Improvement Assessed Property based on the total projected Equivalent Units for each Parcel.
7. The Phase #1 Improvement costs (including Phase #1 Assessed Property's proportional share of the costs of the Major Improvements) are allocated to each Parcel within the Phase #1 Assessed Property based on the total Equivalent Units for each Parcel.

Table V-A provides the estimated allocation of costs of the Authorized Improvements constituting Major Improvements and Phase #1 Improvements.

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

In connection with the issuance of Phased PID Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Phased PID Bonds issued with respect to that Future Phase. Prior to assessing Parcels located within Future Phases in connection with issuance of Phased PID Bonds, 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 Major Improvements and Phase #1 Improvements, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Phase #1 Assessed Property and Phases #2 - 7 Major Improvement Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Major Improvements and Phase #1 Improvements to Parcels in a manner that results in equal shares of the Actual Costs

of such improvements being apportioned to Parcels similarly benefited. The determination 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.

As Future Phases are developed, in connection with the issuance of Phased PID Bonds this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Phase.

B. Special Benefit

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

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

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

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

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

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

exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

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

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

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the costs of the Authorized Improvement through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,
6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. Allocation of Costs to Assessed Property

The Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Major Improvement costs must be allocated throughout all Assessed Property in the District. Table V-A summarizes the allocation of estimated costs for each Major Improvement. The costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

As shown in Appendix D, Phase #1 is projected to contain 330 residential units representing 254.02 total Equivalent Units. Phases #2 - 7 are projected to contain 1,198 residential units representing total Equivalent Units of 903.47, resulting in total Equivalent Units of 1,157.49 within the PID. As a result, 21.95 percent of the estimated costs of Major Improvements (i.e. $254.02 \div 1,157.49 =$

21.95%) are allocated to the Phase #1 Assessed Property and 78.05 percent of the estimated costs Major Improvements (i.e., $903.47 \div 1,157.49 = 78.05\%$) are allocated to the Phases #2 - 7 Major Improvement Assessed Property. The Phases #2 - 7 Major Improvement Bonds will fund the proportionate share of the estimated costs of the Major Improvements allocated to Phases #2 - 7 and Phase #1 Bonds will fund Phase #1's proportionate share of the estimated costs of the Major Improvements and the remaining Phase #1 Improvements. One hundred percent (100%) of the Phase #1 Improvements are allocated to the Phase #1 Assessed Property.

Table V-A
Allocation of Major Improvement Costs

Major Improvement Estimated Costs	
Authorized Improvement	Estimated Costs
Road Improvements including Right-of-Way	\$10,492,340
Water Improvements	\$1,020,500
Sanitary Sewer Improvements	\$1,422,020
Storm Drainage Improvements	\$1,047,000
Other soft and miscellaneous costs	\$364,333
Total Major Improvements	\$14,346,193
Phase #1	
Projected total Equivalent Units	254.02
% of total units	21.95%
Proportionate Share of Costs	\$3,148,382
Phases #2 - 7	
Projected total Equivalent Units	903.47
% of total units	78.05%
Proportionate Share of Costs	\$11,197,811

D. Assessment Methodology

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

1. Assessment Methodology for the Major Improvements for Phases #2 - 7

For purpose of this Service and Assessment Plan, the City Council determined that the portion of the Major Improvement costs to be allocated to Phases #2 - 7 shall be allocated to the Phases #2 - 7 Major Improvement Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units anticipated to be developed on each Parcel as calculated

and shown in Appendix D using the types and number of lots anticipated to be developed on each Parcel within Phases #2 - 7. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Based on the estimates of the costs of the Major Improvements, as set forth in Table III-A, the City Council has determined that the benefit to Phases #2 - 7 Major Improvement Assessed Property of the Phases #2 - 7 proportional share of the Major Improvements is at least equal to the Assessments levied on the Phases #2 - 7 Major Improvement Assessed Property.

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

The Assessment and Annual Installments for each Parcel or Lot located within Phases #2 - 7 is shown on the Phases #2 - 7 Major Improvement Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. *Assessment Methodology for Phase #1*

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

Based on the estimates of the costs of the Phase #1 Improvements, as set forth in Table III-B, the City Council has determined that the benefit to Phase #1 Assessed Property of the Phase #1 Improvements (including Phase #1's proportional share of the Major Improvements) is at least equal to the Assessments levied on the Phase #1 Assessed Property.

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

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

3. *Assessment Methodology for Future Phases*

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

E. **Assessments**

The Assessments for the Phases #2 - 7 Major Improvement Bonds and the Phase #1 Bonds will be levied on each Parcel according to the Phases #2 - 7 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, attached hereto as Appendix E and Appendix F, respectively.

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #1 Bonds, which represents the total Assessment to be allocated on all Parcels within Phase #1, is \$9,555,000. As shown in Appendix D, there are a total of 330 residential units representing a total of 254.02 estimated Equivalent Units for the residential development in Phase #1, resulting in a Maximum Assessment per Equivalent Unit of \$37,615.15 for Phase #1.

The Assessment per dwelling unit is calculated as the product of (i) \$37,615.15 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (74 Ft Lot) dwelling unit is \$37,615.15 (i.e. $\$37,615.15 \times 1.00$). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$30,468.27 (i.e. $\$37,615.15 \times 0.81$). Table V-1 sets forth the Assessment per dwelling unit for each of the three Lot Types in Phase #1.

Table V-1
Maximum Assessment per Unit - Phase #1

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor ¹	Assessment per Unit	Total Assessments
Lot Type 1 (74' Lot)	43	\$37,615.15	1.00	\$37,615.15 per dwelling unit	\$1,617,451
Lot Type 2 (60' Lot)	122	\$37,615.15	0.81	\$30,648.27 per dwelling unit	\$3,717,129
Lot Type 3 (50' Lot)	165	\$37,615.15	0.68	\$25,578.30 per dwelling unit	\$4,220,420
Total	330				\$9,555,000

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

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

Table V-2
Projected Leverage – Phase #1

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (74' Lot)	43	\$118,400	\$592,000	\$37,615	3.15	15.74
Lot Type 2 (60' Lot)	122	\$96,000	\$480,000	\$30,648	3.15	15.75
Lot Type 3 (50' Lot)	165	\$80,000	\$400,000	\$25,578	3.13	15.64
Total	330					

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

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

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
Lot Type 1 (74' Lot)	43	\$118,400	\$592,000	\$2,956	\$2.50	\$0.50
Lot Type 2 (60' Lot)	122	\$96,000	\$480,000	\$2,394	\$2.49	\$0.50
Lot Type 3 (50' Lot)	165	\$80,000	\$400,000	\$2,010	\$2.51	\$0.50
Total	330					

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phases #2 - 7 Major Improvement Bonds, which represents the total Assessment to be allocated on all Parcels within Phases #2 - 7, is \$13,795,000. As shown in Appendix D, there are a total of 1,198 residential units representing a total of 903.47 estimated Equivalent Units for the residential development in Phases #2 - 7, resulting in an Assessment per Equivalent Unit of \$15,268.91 for Phases #2 - 7.

The Assessment per dwelling unit is calculated as the product of (i) \$15,268.91 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (74 Ft Lot) dwelling unit is \$15,268.91 (i.e. \$15,268.91 $\times$ 1.00). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$12,367.82 (i.e. \$15,268.91 $\times$ 0.81). Table V-4 sets forth the Assessment per dwelling unit for each of the three Lot Types in Phases #2 - 7.

Table V-4
Assessment per Unit - Phases #2 - 7

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor ¹	Assessment per Unit	Total Assessments
Lot Type 1 (74' Lot)	109	\$15,268.91	1.00	\$15,268.91 per dwelling unit	\$1,664,311
Lot Type 2 (60' Lot)	415	\$15,268.91	0.81	\$12,367.82 per dwelling unit	\$5,132,643
Lot Type 3 (50' Lot)	674	\$15,268.91	0.68	\$10,382.86 per dwelling unit	\$6,998,046
Total	1,198				\$13,795,000

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

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

Table V-5
Projected Leverage – Phases #2 - 7

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (74' Lot)	109	\$118,400	\$592,000	\$15,269	7.75	38.77
Lot Type 2 (60' Lot)	415	\$96,000	\$480,000	\$12,368	7.76	38.81
Lot Type 3 (50' Lot)	674	\$80,000	\$400,000	\$10,383	7.71	38.53
Total	1,198					

The projected tax rate equivalent per unit calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-6 below.

Table V-6
Estimated Tax Rate Equivalent per unit – Phases #2 - 7

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
Lot Type 1 (74' Lot)	109	\$118,400	\$592,000	\$1,202	\$1.02	\$0.20
Lot Type 2 (60' Lot)	415	\$96,000	\$480,000	\$974	\$1.01	\$0.20
Lot Type 3 (50' Lot)	674	\$80,000	\$400,000	\$818	\$1.02	\$0.20
Total	1,198					

The Annual Installments for the Phases #2 - 7 Major Improvement Bonds and the Phase #1 Bonds will be collected at the time and in the amounts shown on the Phases #2 - 7 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, respectively, subject to any revisions made during an Annual Service Plan Update.

F. Administrative Expenses

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

G. Additional Interest

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%) (the “Additional Interest”). The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with the Additional Interest component of the Annual Installments allocated to fund a reserve to be used for paying prepayment and delinquency related costs (the “Prepayment and Delinquency Reserve”). The Prepayment and Delinquency Reserve shall be funded until it reaches 5.50% of the outstanding Bonds as stipulated in the Bond documents. Once the Prepayment and Delinquency Reserve is funded in full, the City may allocate the Additional Interest component of the Annual Installments as provided in the Trust Indenture.

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Section VI TERMS OF THE ASSESSMENTS

A. Amount of Assessments and Annual Installments for Parcels Located within Phases #2 - 7

The Assessment and Annual Installments for each Assessed Property located within Phases #2 - 7 are shown on the Phases #2 - 7 Major Improvement 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 Phases #2 - 7 Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phases #2 - 7 Major Improvement Bonds, (ii) the Additional Interest to fund the Prepayment and Delinquency Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and other available funds.

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

The Assessment and Annual Installments for each Assessed Property located within Phase #1 is shown on the Phase #1 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 Phase #1 Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phase #1 Bonds, (ii) the Additional Interest to fund the Prepayment and Delinquency Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and other available funds.

C. Amount of Assessments and Annual Installments for Parcels Located Within Future Phases

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for phase #2, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

D. Reallocation of Assessments

1. Subdivision

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

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

Where the terms have the following meanings:

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

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

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

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

E. Mandatory Prepayment of Assessments

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.
2. If at any time the Assessment per Unit on a Parcel exceeds the applicable Maximum Assessment per Unit calculated in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Unit for the Parcel exceeds the applicable Maximum Assessment per Unit calculated in this Service and Assessment Plan.
3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

F. Reduction of Assessments

1. If after all Authorized Improvements to be funded with a series of Bonds have been completed and Actual Costs for such Authorized Improvements are less than the estimated costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Collection Costs, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Collection Costs. The Principal Portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the Bonds is equal to the outstanding principal amount of the Bonds.

G. Payment of Assessments

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include interest through the date of the prepayment and applicable Prepayment Costs.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus interest through the date of prepayment and applicable Prepayment Costs may be paid in part. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such

Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

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

Each Assessment shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds. The Phases #2 - 7 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated interest rate of 5.75% and additional interest at the rate of 0.5% for Administrative Expenses or the Additional Interest to fund the Prepayment and Delinquency Reserve. The Phase #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated interest rate of 5.50%, and the Additional Interest at the rate of 0.5% to fund Prepayment and Delinquency Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls will be updated with the actual interest rates on the Bonds, as shown as Appendix E and Appendix F.

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

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

H. Collection of Annual Installments

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

other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

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

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Section VII THE ASSESSMENT ROLL

A. Phases #2 – 7 Major Improvement Assessment Roll

Each Parcel within Phases #2 - 7 has been evaluated by the City Council (based on the concept plan, developable area, proposed Homeowner Association Property and Public Property, the Major Improvements, best and highest use of land, and other development factors deemed relevant by the City Council) to determine the Assessed Property within each Parcel.

Phases #2 - 7 Major Improvement Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Major Improvements. Table IV-A summarizes the \$14,248,138 in special benefit received by Phases #2 - 7 from a portion of the Major Improvements, the pro rata costs of the PID formation, and bond issuance costs for the proposed Phases #2 - 7 Major Improvement Bonds. The amount of Phases #2 - 7 Major Improvement Bonds is \$13,795,000, which is less than the benefit received by Phases #2 - 7 Major Improvement Assessed Property, and as such the total Assessment for all Assessed Property within Phases #2 - 7 is \$13,795,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within the Phases #2 - 7 is calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phases #2 - 7 Major Improvement Assessment Roll is attached hereto as Appendix E.

B. Phase #1 Assessment Roll

Phase #1 Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Phase #1 Improvements that benefit Phase #1, which include a proportionate share of the Major Improvements allocable to Phase #1. Table IV-A summarizes the \$10,051,782 in special benefit received by Phase #1 Assessed Property from the Phase #1 Improvements that benefit Phase #1, including the proportionate share of the Major Improvements allocable to Phase #1, the pro rata costs of the PID formation, and bond issuance costs for the proposed Phase #1 Bonds. The total amount of Phase #1 Bonds is \$9,555,000, which is less than the benefit received by Phase #1 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #1 is \$9,555,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within Phase #1 is calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phase #1 Assessment Roll is attached hereto as Appendix E.

C. Future Phase Assessment Roll

As Future Phases are developed, this Service and Assessment Plan will be updated to determine the Assessment for each Parcel located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for Phase #2, etc.).

D. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phases #2 - 7 Major Improvement Assessment Roll and Phase #1 Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with

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

Once Bonds are issued, the Assessment Rolls shall be updated, which update may be done in the next Annual Service Plan Update, to reflect any changes resulting from the issuance of the Bonds. This update shall reflect the actual interest on the 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 Bonds and Developer funds.

Remainder of this page left intentionally blank.

Section VIII MISCELLANEOUS PROVISIONS

A. Administrative Review

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

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

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

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

B. Termination of Assessments

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

C. Amendments

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

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

(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. Administration and Interpretation of Provisions

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act, and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust 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 Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

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

Appendix A

The PID MAP AND LEGAL DESCRIPTIONS

Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Appendix C

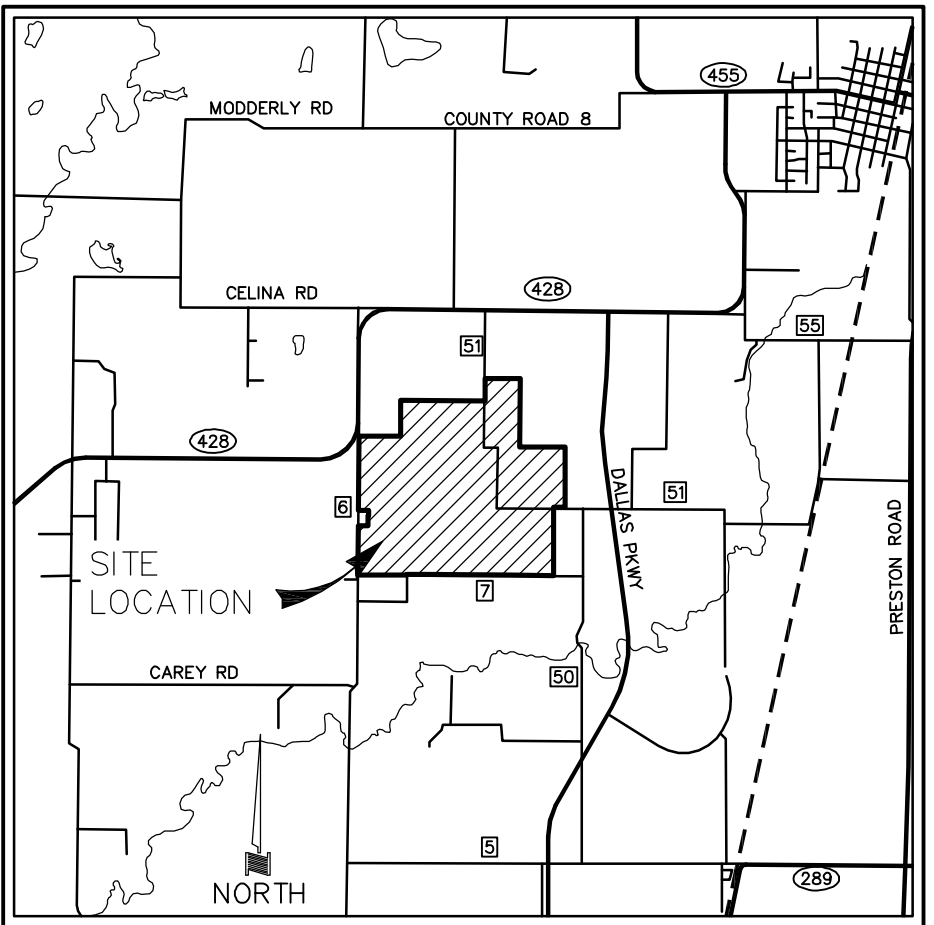
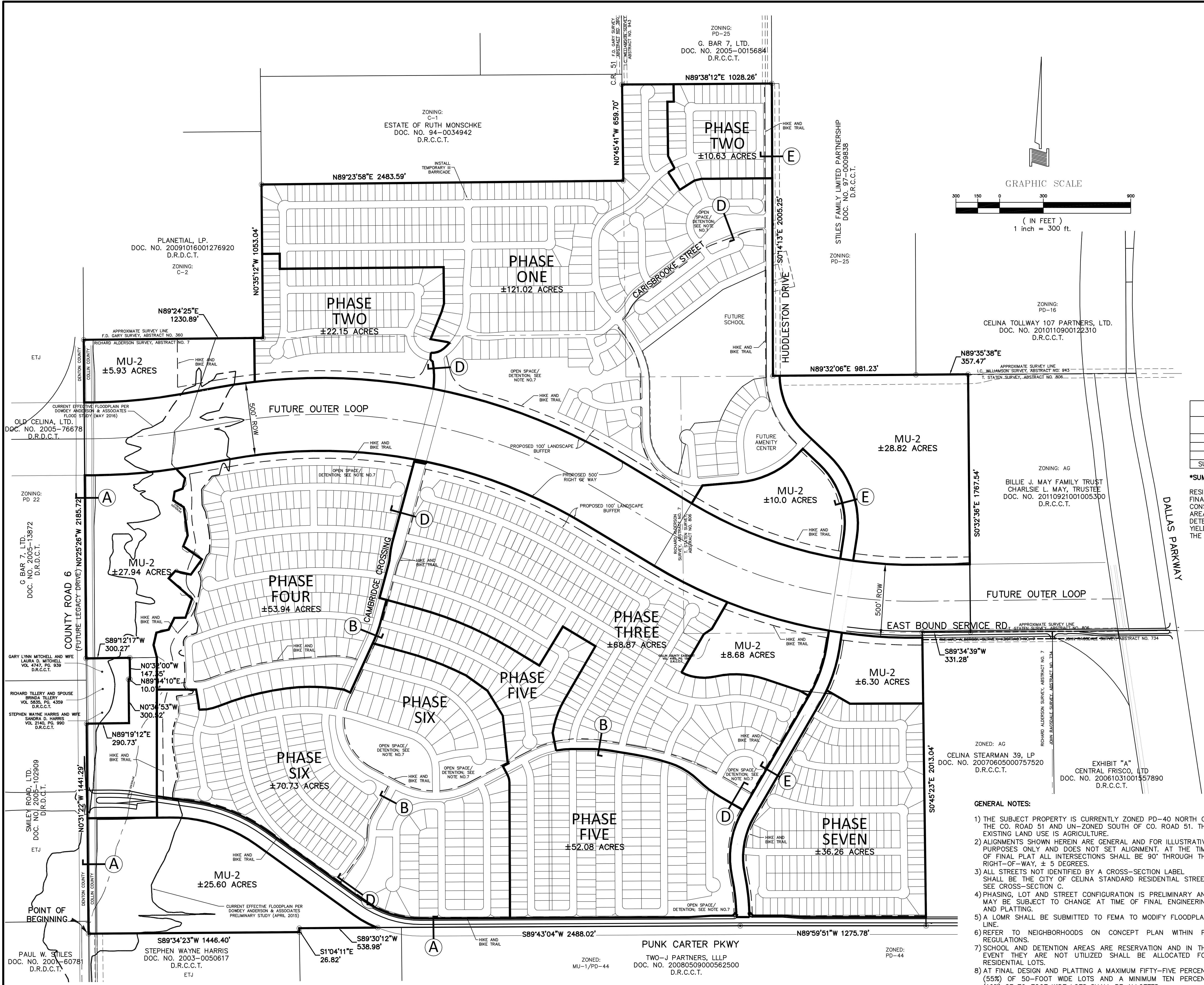
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

Appendix D

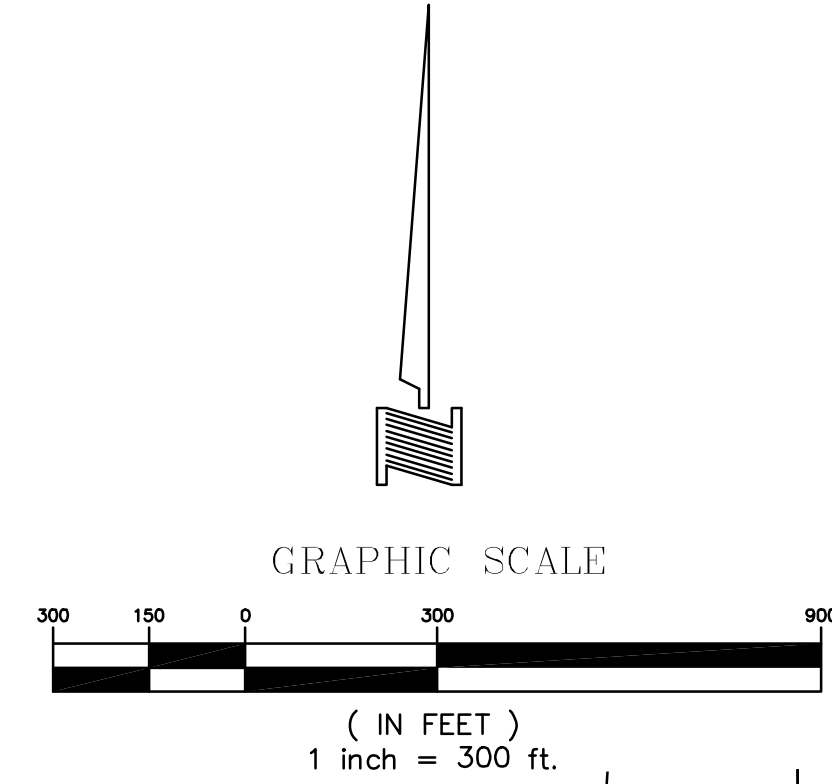
LOT TYPES AND EQUIVALENT UNITS

Appendix A

The PID MAP AND LEGAL DESCRIPTIONS



LOCATION MAP
NOT TO SCALE



RESIDENTIAL LOT SUMMARY									
LOT TYPE	PHASES							LOT TYPE SUMMARY	LOT TYPE %
	1	2	3	4	5	6	7		
50'	165	125	157	53	82	73	184	839	54.9
60'	122	9	67	111	121	107	0	537	35.1
74'	43	0	33	28	10	38	0	152	10.0
SUMMARY BY PHASE	330	134	257	192	213	218	184	1,528	-

***SUMMARY NOTE:**
RESIDENTIAL LOT TOTALS ARE APPROXIMATE AND ARE SUBJECT TO CHANGE AT FINAL ENGINEERING AND PLATTING BASED ON CURRENT MARKET DEMANDS AND CONSTRUCTION; IN THE EVENT THE FUTURE SCHOOL SITE IS NOT UTILIZED THIS AREA SHALL BE PERMITTED TO YIELD ±50 RESIDENTIAL LOTS; IN THE EVENT THE DETENTION AREAS ARE NOT UTILIZED THESE AREAS SHALL BE PERMITTED TO YIELD ±15 RESIDENTIAL LOTS; THE ULTIMATE DEVELOPMENT SHALL COMPLY WITH THE APPROVED ZONING PD.

- GENERAL NOTES:**
- 1) THE SUBJECT PROPERTY IS CURRENTLY ZONED PD-40 NORTH OF THE CO. ROAD 51 AND UN-ZONED SOUTH OF CO. ROAD 51. THE EXISTING LAND USE IS AGRICULTURE.
 - 2) ALIGNMENTS SHOWN HEREIN ARE GENERAL AND FOR ILLUSTRATIVE PURPOSES ONLY AND DOES NOT SET ALIGNMENT. AT THE TIME OF FINAL PLAT ALL INTERSECTIONS SHALL BE 90° THROUGH THE RIGHT-OF-WAY, ± 5 DEGREES.
 - 3) ALL STREETS NOT IDENTIFIED BY A CROSS-SECTION LABEL SHALL BE THE CITY OF CELINA STANDARD RESIDENTIAL STREET; SEE CROSS-SECTION C.
 - 4) PHASING, LOT AND STREET CONFIGURATION IS PRELIMINARY AND MAY BE SUBJECT TO CHANGE AT TIME OF FINAL ENGINEERING AND PLATTING.
 - 5) A LOMR SHALL BE SUBMITTED TO FEMA TO MODIFY FLOODPLAIN LINE.
 - 6) REFER TO NEIGHBORHOODS ON CONCEPT PLAN WITHIN PD REGULATIONS.
 - 7) SCHOOL AND DETENTION AREAS ARE RESERVATION AND IN THE EVENT THEY ARE NOT UTILIZED SHALL BE ALLOCATED FOR RESIDENTIAL LOTS.
 - 8) AT FINAL DESIGN AND PLATTING A MAXIMUM FIFTY-FIVE PERCENT (55%) OF 50-FOOT WIDE LOTS AND A MINIMUM TEN PERCENT (10%) OF 70-FOOT WIDE LOTS SHALL BE ALLOTTED.

GENERAL DEVELOPMENT PLAN EXHIBIT
CAMBRIDGE CROSSING
±455.29 ACRES RESIDENTIAL
AN ADDITION TO THE CITY OF CELINA
F.D. GARY SURVEY, ABST. 360
I.C. WILLIAMSON SURVEY, ABST. 943
RICHARD ALDERSON SURVEY, ABST. 7
AND T STATEN SURVEY, ABST. 806
COLLIN COUNTY, TEXAS

APRIL, 2016 SCALE: 1"=300'

OWNER/DEVELOPER
TOLLWAY/OUTER LOOP, L.P.
8750 N. CENTRAL EXPRESSWAY
STE. 1735
DALLAS, TEXAS 75231
214-691-2556
CONTACT: MATT ALEXANDER P.E.

ENGINEER/SURVEYOR
DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10077800
CONTACT : MICHAEL DOWDEY P.E.

P:\Project CSD\14037\14037-GDP Exhibit-PID.dwg, 14037-DP-SHEET 2, 6/4/2016 2:38:52 PM, tsikiner, Dowdey, Anderson & Associates, Inc., TSK

LEGAL DESCRIPTION

BEING a tract of land situated in the RICHARD ALDERSON SURVEY, ABSTRACT NO. 7, F.D. GARY SURVEY, ABSTRACT NO. 360, T. STATEN SURVEY, ABSTRACT NO. 806, and the I.C. WILLIAMSON SURVEY, ABSTRACT NO. 943, Collin County, Texas, and being all of that tract of land conveyed to Godwin Investments, LTD., according to the document filed of record in Document Number 20070205000163510 and 20130401000422650, Deed Records, Collin County, Texas, and being all of that tract of land conveyed to Jerry Glen Hansel and wife, Sally Haggard Hansel, according to the document filed of record in Document Number 92-0077846, Deed Records, Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod with a red plastic cap found in the approximate center line of Legacy Drive, a variable width right-of-way, (also known as County Road No. 6) for the southwest corner of said Godwin Investments, LTD. tract, recorded in Document 20130401000422650, same being the northwest corner of a tract of land conveyed to Stephen Wayne Harris, according to the document filed of record in Document Number 2003-0050617, Deed Records, Collin County, Texas, same being the northeast corner of a tract of land conveyed to Paul W. Stiles, according to the document filed of record in Document Number 2001-60781, Deed Records, Denton County, same being the southeast corner of a tract of land conveyed to Smiley Road, LTD., according to the document filed of record in Document Number 2005-102909, Deed Records, Denton County, Texas;

THENCE North 00° 31' 22" West, with the common west line of said Godwin tract and east line of said Smiley Road tract, a distance of 1,441.29 feet to a 1/2 inch iron rod with a red plastic cap found for the southwest corner of a tract of land conveyed to Stephen W. Harris and wife, Sandra D. Harris, according to the document filed of record in Volume 3399, Page 27, Deed Records, Collin County, Texas;

THENCE North 89° 19' 12" East, with the south line of said Harris tract, a distance of 290.73 feet to a 1/2 inch iron rod with a yellow plastic cap stamped DAA set for the southeast corner of said Harris tract;

THENCE North 00° 36' 53" West, a distance of 300.52 feet to a 1/2 inch iron rod found in the south line of a tract of land conveyed to Gary Lynn Mitchell and wife, Laura D. Mitchell, according to the document filed of record in Volume 4747, Page 939, Deed Records, Collin County, and being the northeast corner of a tract of land conveyed to Richard Tillery and Spouse, Brinda Tillery, as recorded Volume 5835, Page 4358, Deed Records, Collin County, Texas;

THENCE North 89° 44' 10" East, with the south line of said Mitchell tract, a distance of 10.07 feet to a 1/2 inch iron rod with an orange plastic cap found for the southeast corner of said Mitchell tract;

THENCE North 00° 32' 00" West, with the east line of said Mitchell tract, a distance of 147.35 feet to a 1/2 inch iron rod with an orange plastic cap found in the south line of the above mentioned Godwin tract recorded in Document Number 20070205000163510 and being the common northeast corner of said Mitchell tract and northwest corner of said Godwin tract recorded in Document Number 20130401000422650;

THENCE South 89° 12' 17" West, leaving said common corner and with the north line of said Mitchell tract, passing at a distance of 270.26 feet, a 1/2 inch iron rod with an orange plastic cap found for reference and continuing for a total distance of 300.27 feet to a 3/8 inch iron rod found in the east line of a tract of land conveyed to G Bar 7, LTD., according to the document filed of record in Document Number 2005-13872, Deed Records, Collin County, Texas, and being the common southwest corner of said Godwin tract recorded in Document Number 20070205000163510 and the northwest corner of said Mitchell tract;

THENCE North 00° 25' 26" West, leaving said common corner and with the common west line of said Godwin tract and east line of said G Bar 7, LTD. tract, a distance of 2,185.72 feet to a 3/8 inch iron rod found for the common most westerly northwest corner of said Godwin tract and southwest corner of a tract of land conveyed to Planetial, LP, according to the document filed of record in Document Number 20091016001276920, Deed Records, Collin County, Texas;

THENCE North 89° 24' 25" East, leaving said common corner and with the south line of said Planetial, LP tract, a distance of 1,230.89 feet to a 5/8 inch iron rod with a yellow plastic cap found for the southeast corner of said Planetial, LP tract;

THENCE North 00° 35' 12" West, with the east line of said Planetial, LP tract, a distance of 1,053.04 feet to a 1/2 inch iron rod found for the common northwest corner of the said Godwin tract and southwest corner of a tract of land conveyed to Hardy Burke, according to the document filed of record in Document Number 94-0034942, Deed Records, Collin County, Texas;

THENCE North 89° 23' 58" East, leaving said east line and with the common north line of said Godwin tract and south line of said Hardy Burke tract, a distance of 2,483.59 feet to a 1/2 inch iron rod found with a yellow plastic cap found for the southeast corner of said Hardy Burke tract;

THENCE North 00° 45' 41" West, with the east line of said Hardy Burke tract, a distance of 659.70 feet to a 1/2 inch iron rod with a yellow plastic cap found for the southwest corner of a tract of land conveyed to G Bar 7, LTD, according to the document filed of record in Document Number 2005-0015684, Deed Records, Collin County, Texas;

THENCE North 89° 38' 12" East, leaving said east line and with the common north line of said Godwin tract and south line of said G Bar 7, LTD tract, a distance of 1,028.26 feet to a 1/2 inch iron rod found in the west line of a tract of land conveyed to Stiles Family Limited Partnership, according to the document filed of record in Document Number 97-0009838, Deed Records, Collin County, Texas, same being the common northeast corner of said Godwin tract and southeast corner of said G Bar 7, LTD tract;

THENCE South 00° 14' 13" East, leaving said common corner and with the common east line of said Godwin Tract and west line of said Stiles Family Limited Partnership tract, a distance of 2,005.25 feet to a 1/2 inch iron rod with a yellow plastic cap found for the southwest corner of said Stiles tract;

THENCE North 89° 32' 06" East, with the south line of said Stiles tract, a distance of 981.23 feet to a 1/2 iron rod found for the common southeast corner of said Stiles tract and southwest corner of a tract of land conveyed to Celina Tollway 107 Parntership, LTD, according to the document filed of record in Document Number 2010110900122310, Deed Records, Collin County, Texas;

THENCE North 89° 35' 38" East, leaving said common corner and with the south line of said Celina Tollway 107 Partnership, LTD tract, a distance of 357.47 feet to a 1/2 inch iron rod found for the common northeast corner of said Godwin tract and northeast corner of a tract of land conveyed to Billie J. May Family Trust, according to the document filed of record in Document Number 20110921001005300, Deed Records, Collin County, Texas;

THENCE South 00° 32' 36" East, leaving said common corner and with the common east line of said Godwin tract and west line of said Billie J. May Family Trust tract, a distance of 1,767.54 feet to a 1/2 inch iron rod found in the north line of a tract of land conveyed to Celina Stearman 39, LP, according to the document filed of record in Document Number 20070605000757520, Deed Records, Collin County, Texas, same being the common most easterly corner of said Godwin tract and the southwest corner of said Billie J. May Family Trust tract;

THENCE South 89° 34' 39" West, leaving said common corner and with the common south line of said Godwin tract and north line of said Celina Stearman 39, LP tract, a distance of 331.28 feet to a 1/2 inch iron rod with a yellow plastic cap found for the northwest corner of said Celina Stearman 39, LP tract, and being a common corner of said Godwin tract;

THENCE South 00° 45' 23" East, with the common east line of said Godwin tract and west line of said Celina Stearman 39, LP tract, a distance of 2,013.04 feet to a point for corner from which a 1/2 inch iron rod found in the north line of a tract of land conveyed to Two-J Partners, LLLP, according to the document filed of record in Document Number 20080509000562500, Deed Records, Collin County, Texas, bears North 83°12'48" West, 0.58 feet, said point being the common southeast corner of said Godwin tract and southwest corner of said Celina Stearman 39, LP tract;

THENCE North 89° 59' 51" West, leaving said common corner and with the common south line of said Godwin tract and north line of said Two-J Partners, LLP tract, a distance of 1,275.78 feet to a point for corner from which a 1/2 inch bolt found bears South 89°40'46" West, 0.40 feet, said point being the common southwest corner of said Godwin tract and southeast corner of the above mentioned Jerry Glen Hansel & Wife Sally Haggard Hansel tract;

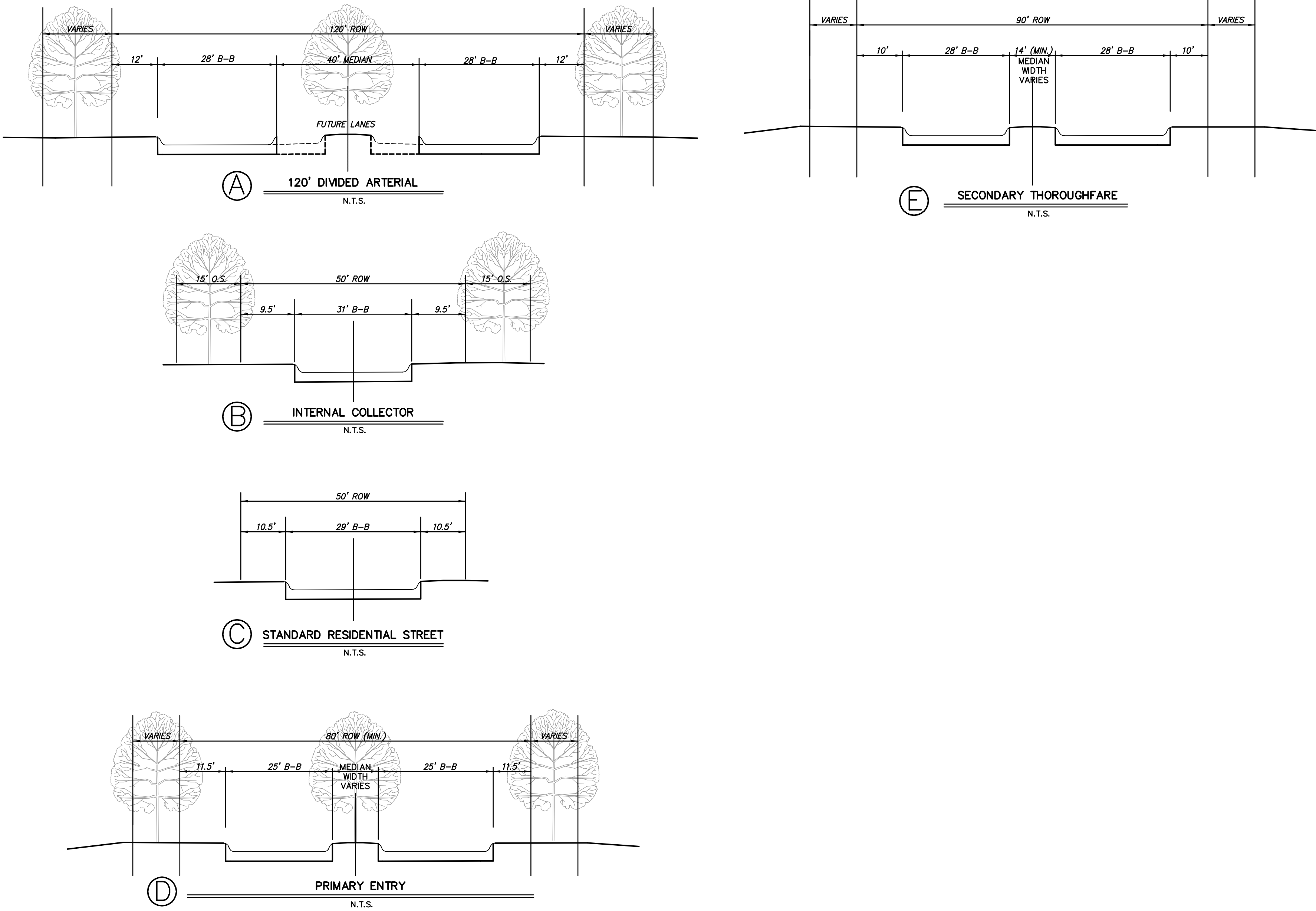
THENCE South 89° 43' 04" West, leaving said common corner and with the common south line of said Hansel tract and north line of said Two-J Partners, LLLP tract, passing at a distance of 2,477.60 feet a 5/8 inch iron rod with a red plastic cap found, continuing for a total a distance of 2,488.02 feet, for the common southwest corner of said Hansel tract and the southeast corner of the above mentioned Godwin Investments, LTD tract, recorded in Document Number 20130401000422650;

THENCE South 89° 30' 12" West, leaving said common corner and with the common south line of said Godwin tract, recorded in Document Number 20130401000422650 and north line of said Two-J Partners, LLLP tract, a distance of 538.98 feet to a 1/2 inch iron rod with a red plastic cap found for the northwest corner of said Two-J Partners, LLLP tract;

THENCE South 01° 04' 11" East, with the west line of said Two-J Parnters, LLLP tract, a distance of 26.82 feet to a 1/2 inch iron rod found for the northeast corner of the above mentioned Stephen Wayne Harris tract, for the most southerly southeast corner of said Godwin tract;

THENCE South 89° 34' 23" West, leaving said west line and with the common south line of the above mentioned Godwin tract and north line of said Harris tract, a distance of 1,446.40 feet to the POINT OF BEGINNING and containing 639.617 acres of land, more or less.

STREET CROSS SECTIONS



GENERAL DEVELOPMENT PLAN EXHIBIT
CAMBRIDGE CROSSING

±455.29 ACRES RESIDENTIAL

AN ADDITION TO THE CITY OF CELINA
F.D. GARY SURVEY, ABST. 360
I.C. WILLIAMSON SURVEY, ABST. 943
RICHARD ALDERSON SURVEY, ABST. 7
AND T STATEN SURVEY, ABST. 806
COLLIN COUNTY, TEXAS

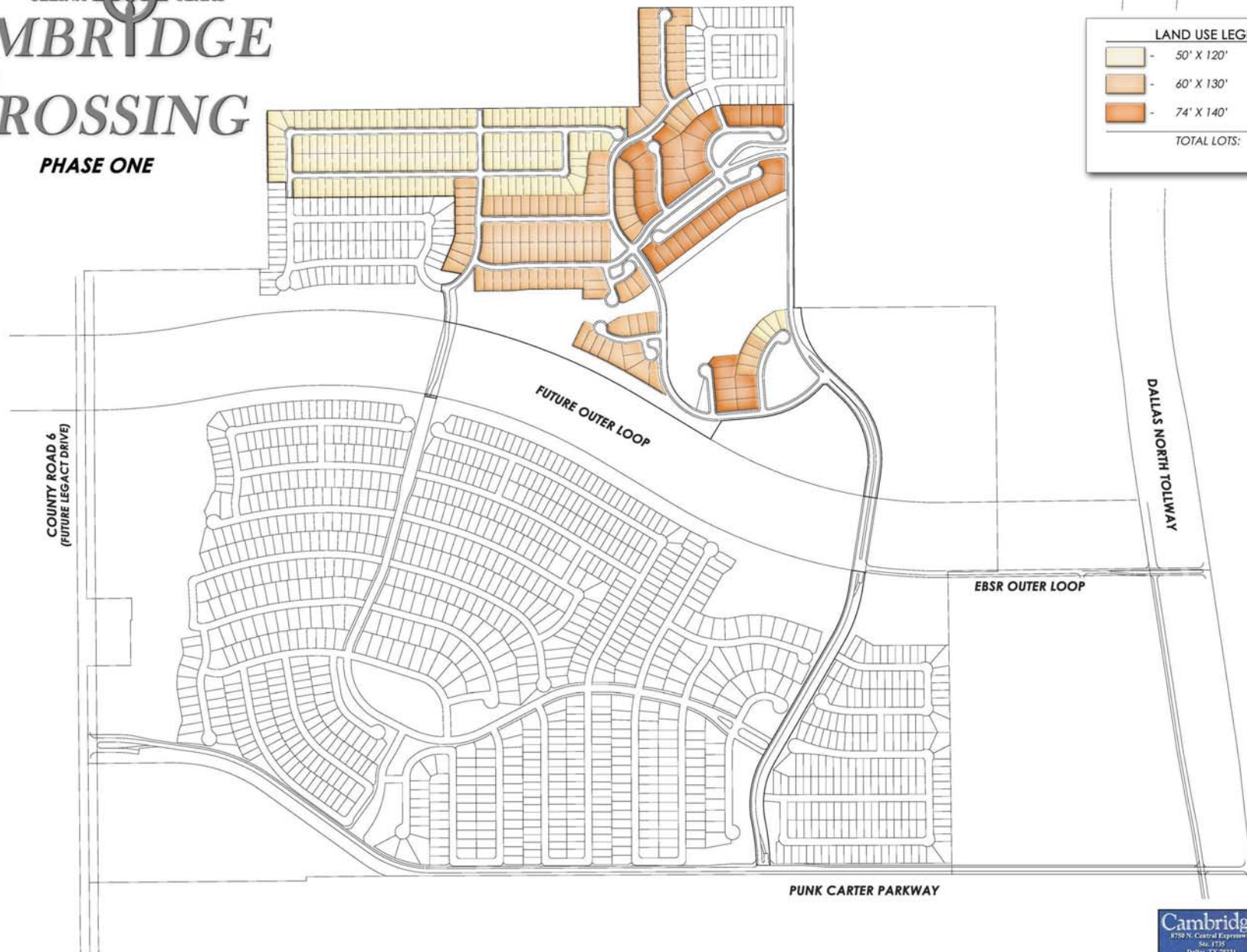
APRIL, 2016 SCALE: 1"=300'

OWNER/DEVELOPER
TOLLWAY/OUTER LOOP LP
8750 N. CENTRAL EXPRESSWAY
STE. 1735
DALLAS, TEXAS 75231
214-691-2556
CONTACT: MATT ALEXANDER P.E.

ENGINEER/SURVEYOR
DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10077800
CONTACT : MICHAEL DOWDEY P.E.

REVISED: JUNE 04, 2018

CELINA TEXAS CAMBRIDGECROSSING PHASE ONE



Attachment: Celina - Cambridge Crossing #1 2018 - Assessment Ordinance MASTER (2018 - 44 :



WDEY, ANDERSON
ASSOCIATES, INC.
1000 N. Central Expressway
Suite 1100
Dallas, TX 75201
409.511.1111



This is a conceptual layout and does not necessarily depict the project as it shall finally be developed.

NOTE:

- 1) THE STREET PATTERN AND OPEN SPACE AREAS ARE FOR ILLUSTRATIVE PURPOSES AND ARE SUBJECT TO FUTURE ALTERATION DURING THE DESIGN PROCESS.
- 2) LOTS ADJACENT TO THE FLOODPLAIN MAY EXTEND INTO THE FLOODPLAIN; THE LIMITS OF THE FLOODPLAIN WILL BE DEFINED WITH FUTURE ENGINEERING PLANS.
- 3) FOR ADDITIONAL INFORMATION ON DESIGN REGULATIONS FOR EACH TYPE OF USE, PLEASE REFER TO THE PLANNED DEVELOPMENT STANDARDS.
- 4) THE OVERALL MAXIMUM NUMBER OF RESIDENTIAL LOTS SHALL BE 2000. THE MAXIMUM NUMBER OF TYPE 3 LOTS WITHIN THE "SF-R" AREA SHOWN SHALL BE 55%. THE MINIMUM NUMBER OF TYPE 1 LOTS WITHIN THE "SF-R" AREA SHOWN SHALL BE 10%.

PROPOSED LAND USE SUMMARY

SINGLE FAMILY	±376 AC (59%)
MU-2	±78 AC (12%)
OPEN SPACE	±89 AC (14%)
RIGHT-OF-WAY	±97 AC (15%)

TOTAL LAND AREA ±639 AC

NOTE:

THE ACREAGES SHOWN ABOVE ARE APPROXIMATE BASED ON THE CONCEPT PLAN AND ARE SUBJECT TO CHANGE WITH FUTURE PLATS.

LAND USE LEGEND:

SF-R	SINGLE-FAMILY RESIDENCE
MU-2	MIXED USE
Yellow	FUTURE ELEMENTARY SCHOOL
Green	OPEN SPACE

— PID BOUNDARY

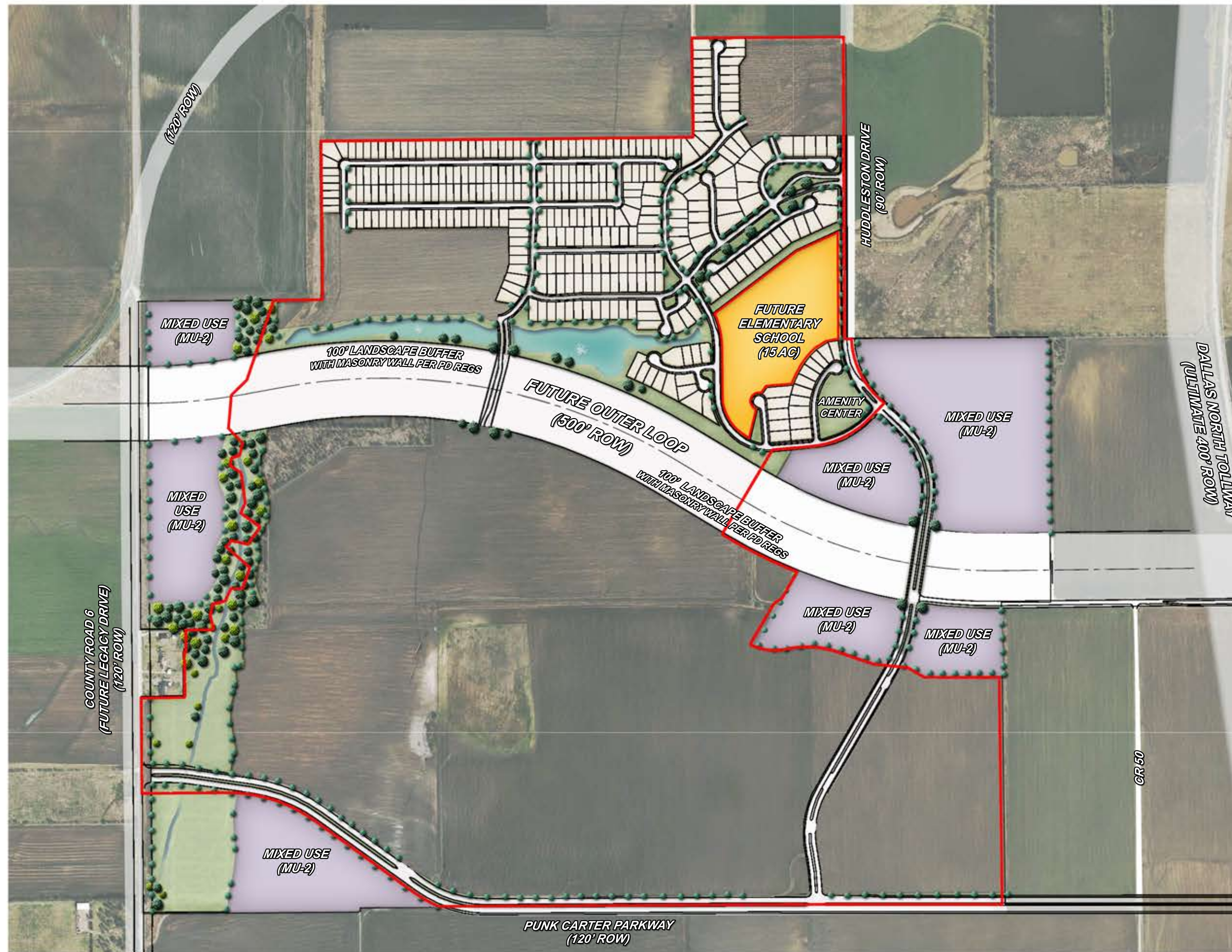
Overall

CONCEPT PLAN

CELINA TEXAS
**CAMBRIDGE
CROSSING**

Cambridge
8750 N. Central Expressway
Ste. 1735
Dallas, TX 75231

ENGINEER/PLANNER
**DOWDEY, ANDERSON
& ASSOCIATES, INC.**
3225 Village Creek Drive, Suite 200 - Plano, Texas 75093
Phone: 972.931-0094 Fax: 972.931-9538

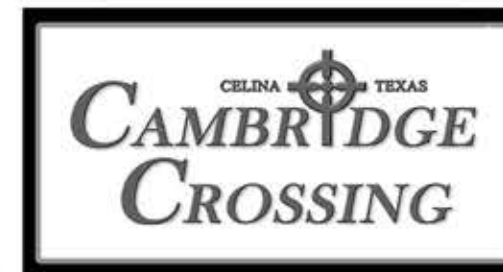


This is a conceptual layout and does not necessarily depict the project as it shall finally be developed.

— PID BOUNDARY

Phase One

CONCEPT PLAN



Cambridge
8750 N. Central Expressway
Ste. 1735
Dallas, TX 75231

ENGINEER/PLANNER
DOWDEY, ANDERSON & ASSOCIATES, INC.
3225 Village Creek Drive, Suite 200 • Plano, Texas 75093
Phone 972.931.6004 • Fax 972.931.9538

Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

CAMBRIDGE CROSSING PID ~ PHASE ONE COSTS

City of Celina, Collin County, Texas

Construction Plan Set: 04-18-2018

Total Lots: 330Total Acres: 107.675Prepared: 06/06/18Revised: -***Opinion of Probable Cost Summary***

SUMMARY	TOTAL
MAJOR IMPROVEMENTS	
WATER ~ MAJOR IMPROVEMENTS	1,020,500.00
SANITARY SEWER ~ MAJOR IMPROVEMENTS	1,422,020.00
DRAINAGE ~ MAJOR IMPROVEMENTS	1,047,000.00
ROADWAY ~ MAJOR IMPROVEMENTS	7,252,339.00
CITY, PROFESSIONAL & MISC. FEES ~ MAJOR	364,333.00
TOTAL ~ MAJOR IMPROVEMENTS	11,106,192.00
DIRECT IMPROVEMENTS	
WATER ~ DIRECT	1,097,000.00
SANITARY SEWER ~ DIRECT	1,003,000.00
ROADWAYS ~ DIRECT	2,543,000.00
CITY, PROFESSIONAL & MISC. FEES ~ DIRECT	194,000.00
TOTAL ~ DIRECT IMPROVEMENTS	4,837,000.00
GRAND TOTAL	15,943,192.00

GENERAL NOTES:

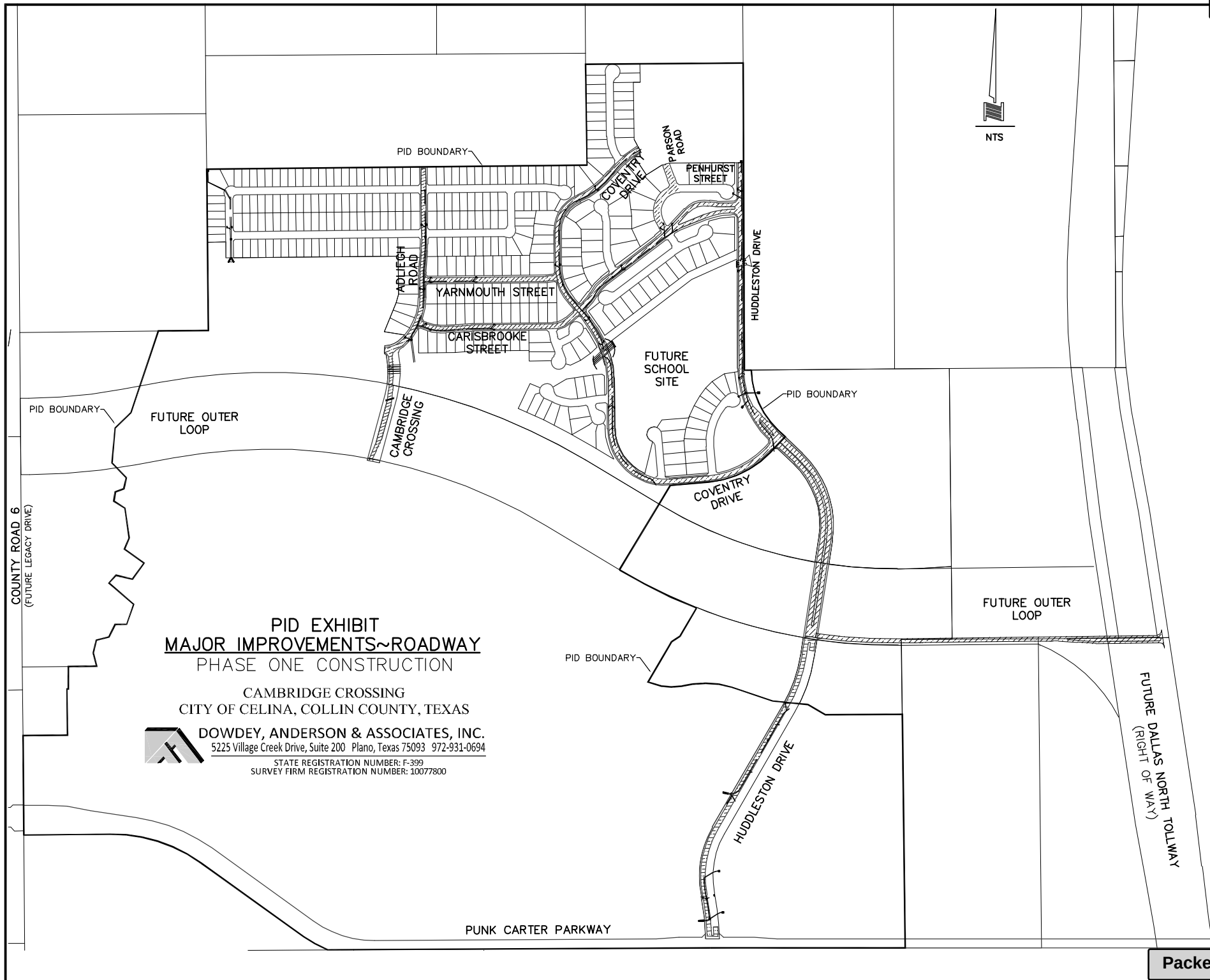
- UNIT PRICES ARE BASED ON SIMILAR PROJECTS BID IN 2015, HOWEVER SHOULD BE VERIFIED WITH A CONTRACTOR DUE TO THE VOLATILITY OF PRICES TODAY.

ESTIMATE EXCLUDES:

- FRANCHISE UTILITY RELOCATION AND/OR OFFSITE COSTS TO BRING SERVICE TO SITE
- ROCK EXCAVATION
- DEMOLITION OF EXISTING STRUCTURES
- REMOVAL OF EXISTING WATER WELLS OR SEPTIC SYSTEMS
- CORPS/WETLANDS MITIGATION
- EASEMENT ACQUISITION
- RIGHT-OF-WAY ACQUISITION FOR PERIMETER ROADS
- COST UNDERBRUSHING/PRUNING OF EXISTING TREES

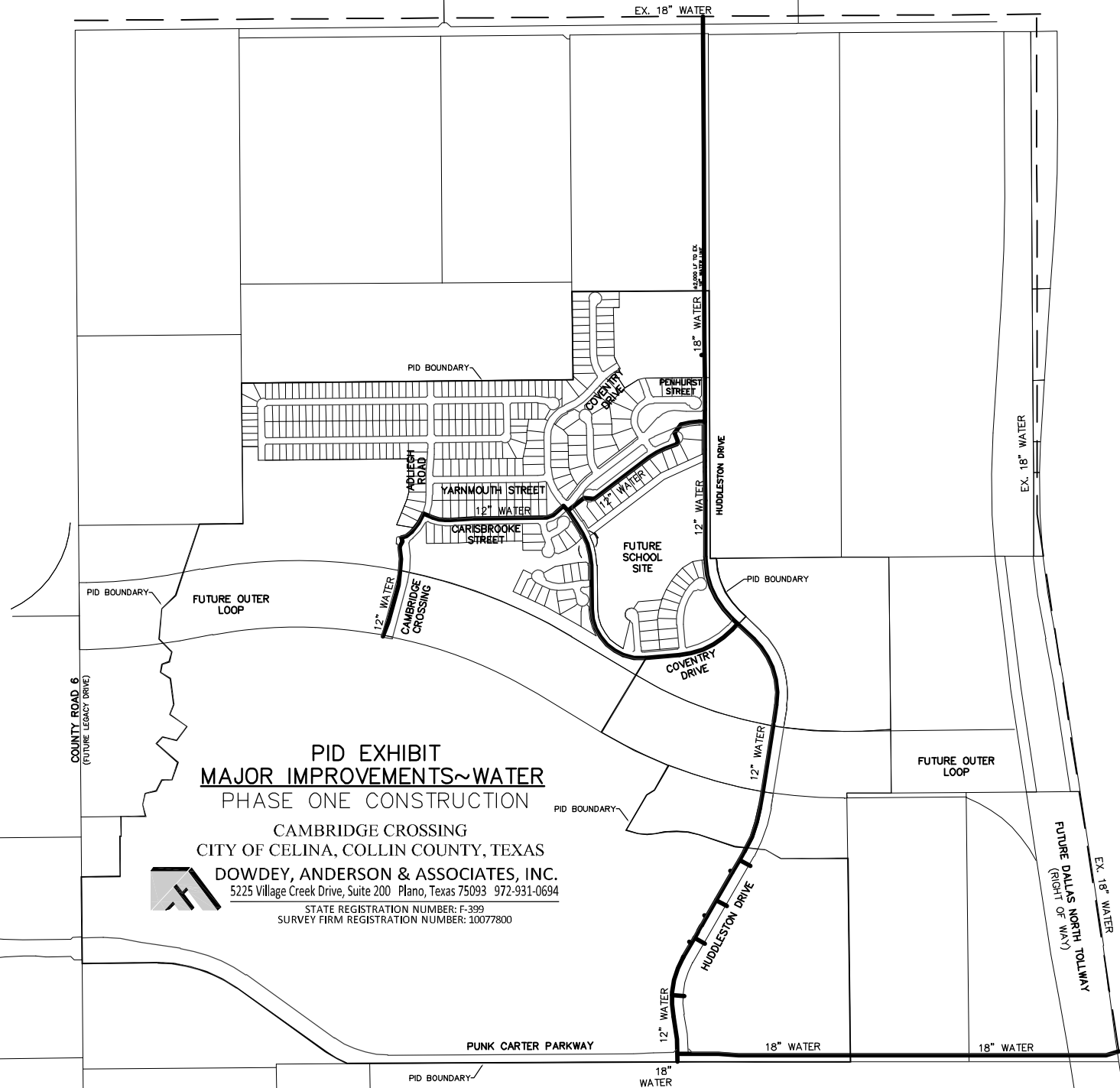
Appendix C

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS





NTS

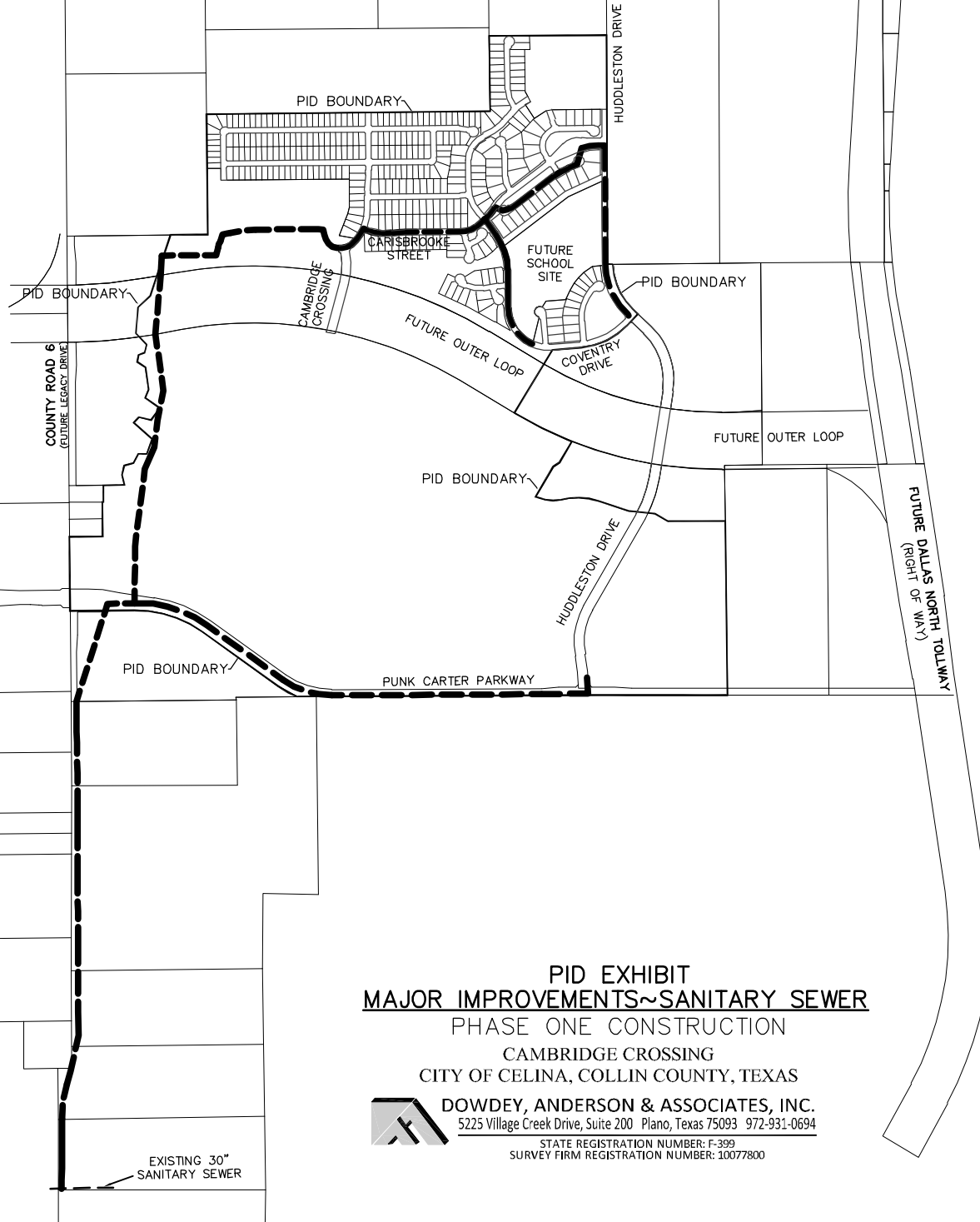




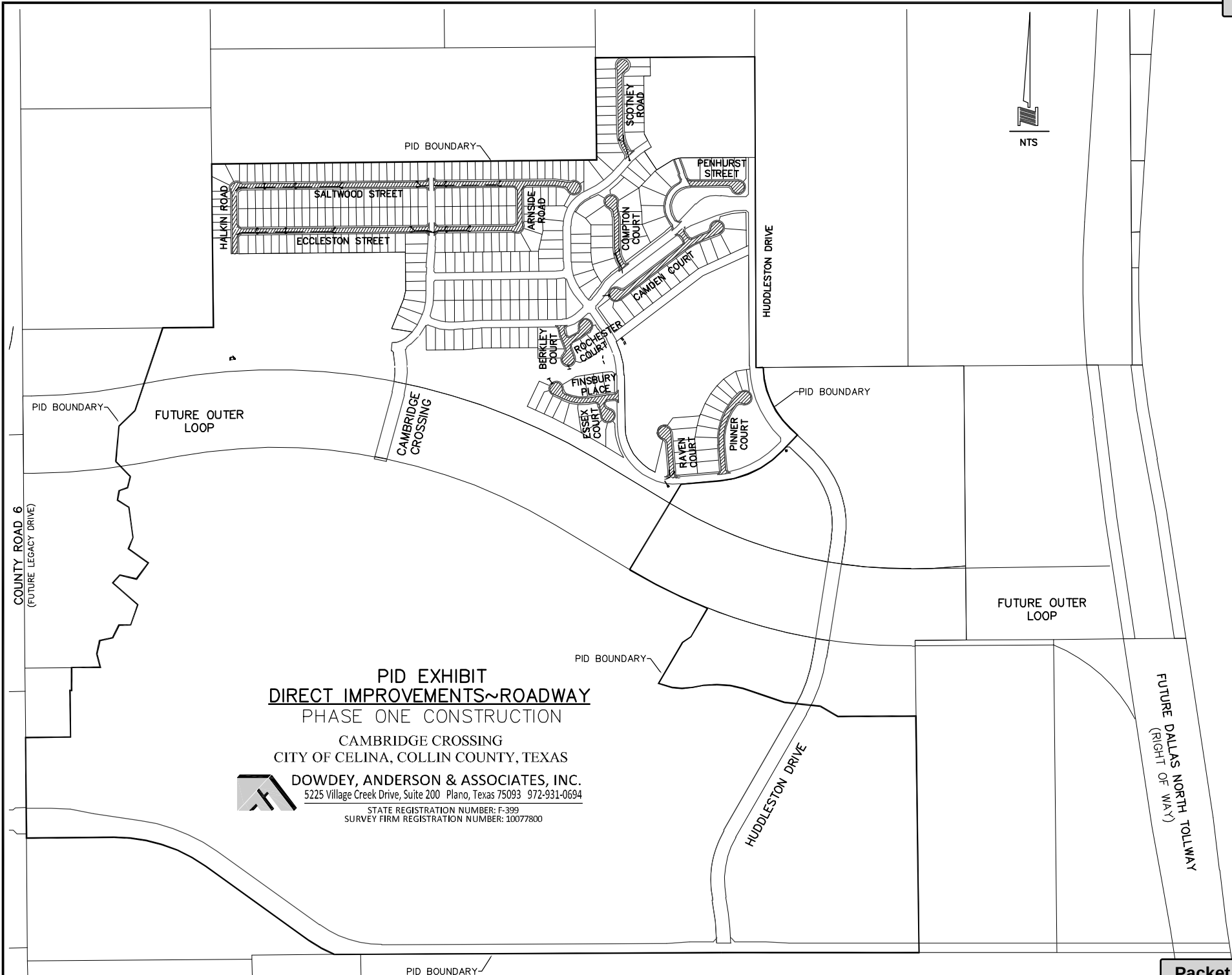
PID EXHIBIT
MAJOR IMPROVEMENTS~SANITARY SEWER
 PHASE ONE CONSTRUCTION
 CAMBRIDGE CROSSING
 CITY OF CELINA, COLLIN COUNTY, TEXAS

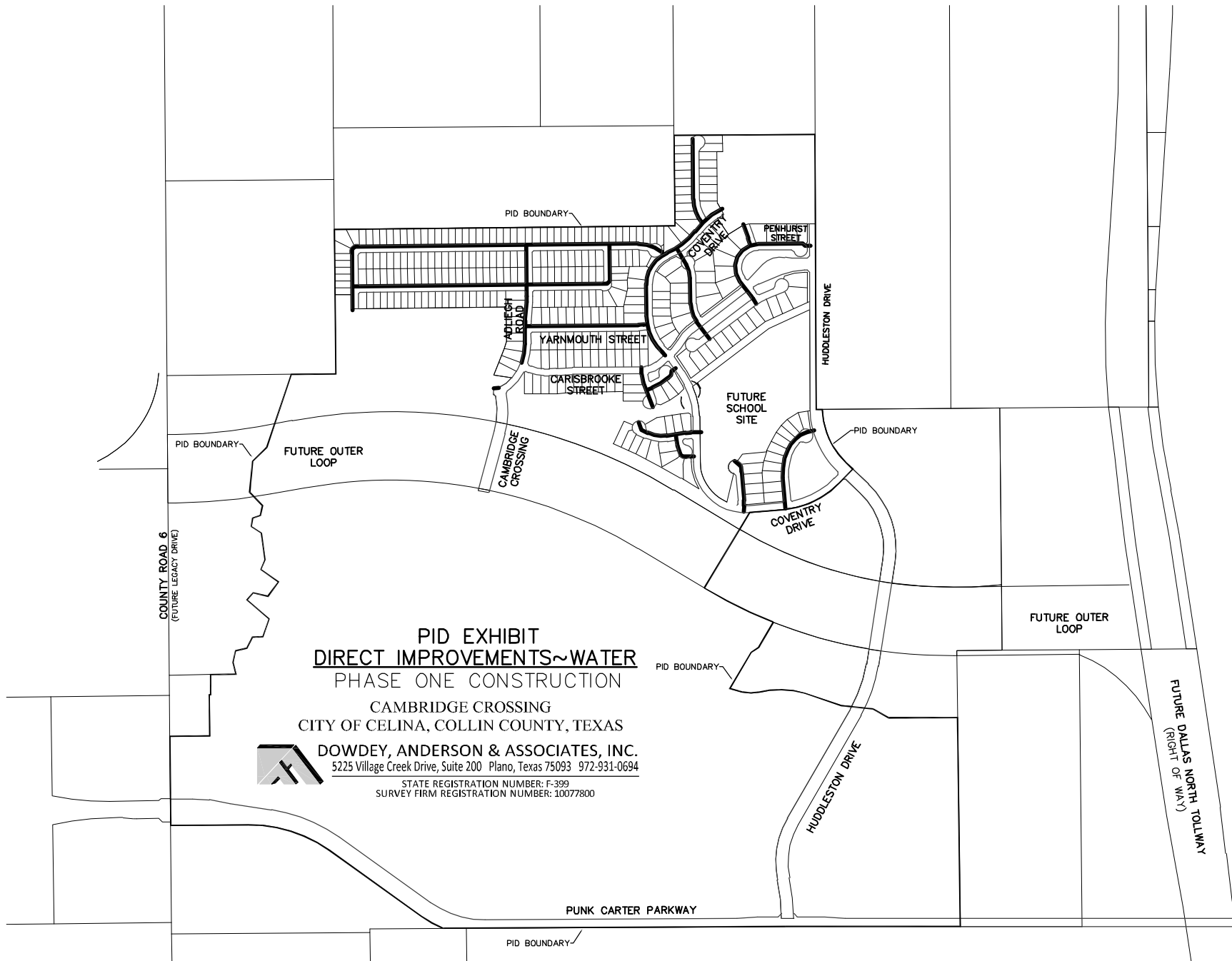


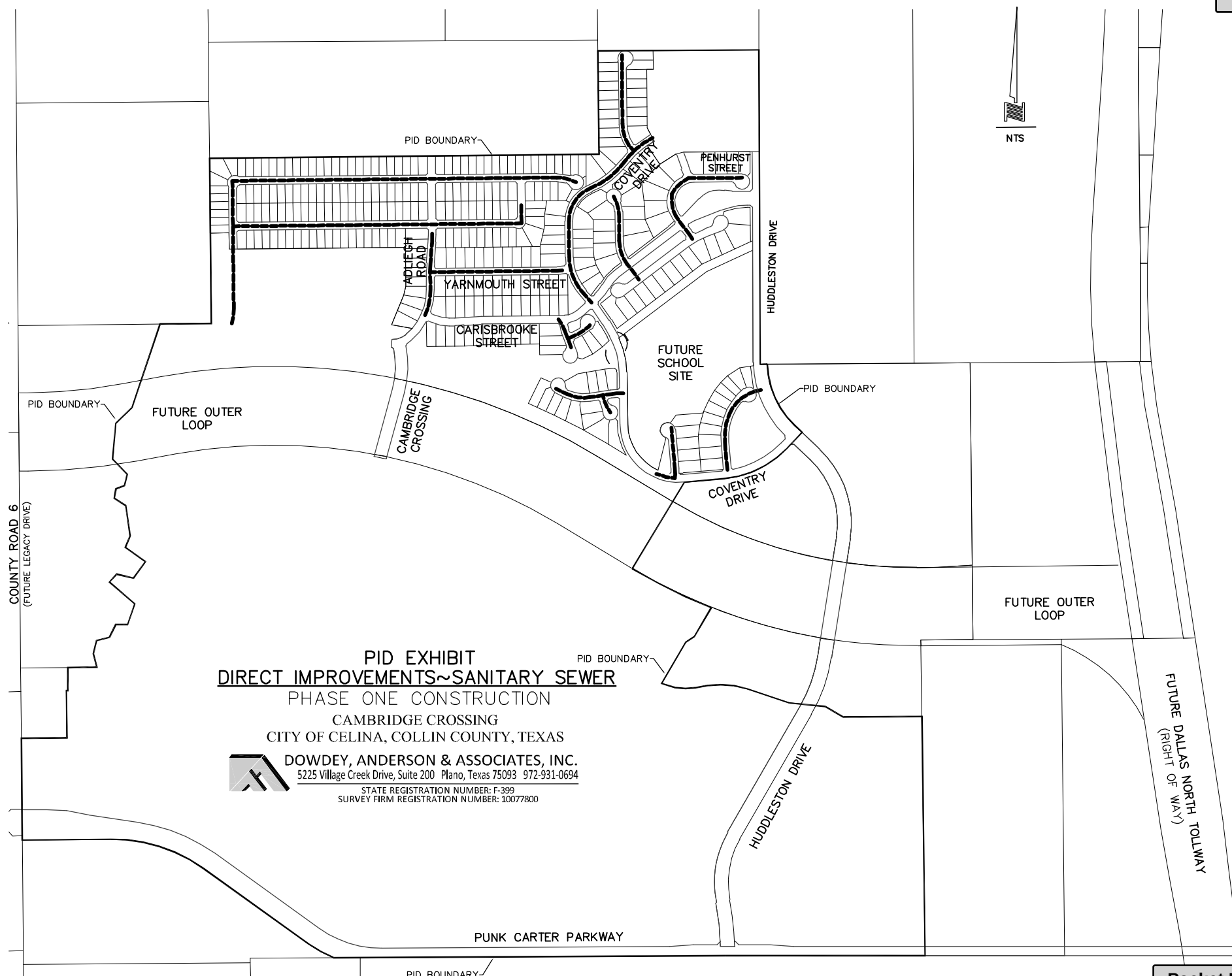
DOWDEY, ANDERSON & ASSOCIATES, INC.
 5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
 STATE REGISTRATION NUMBER: F-399
 SURVEY FIRM REGISTRATION NUMBER: 10077800



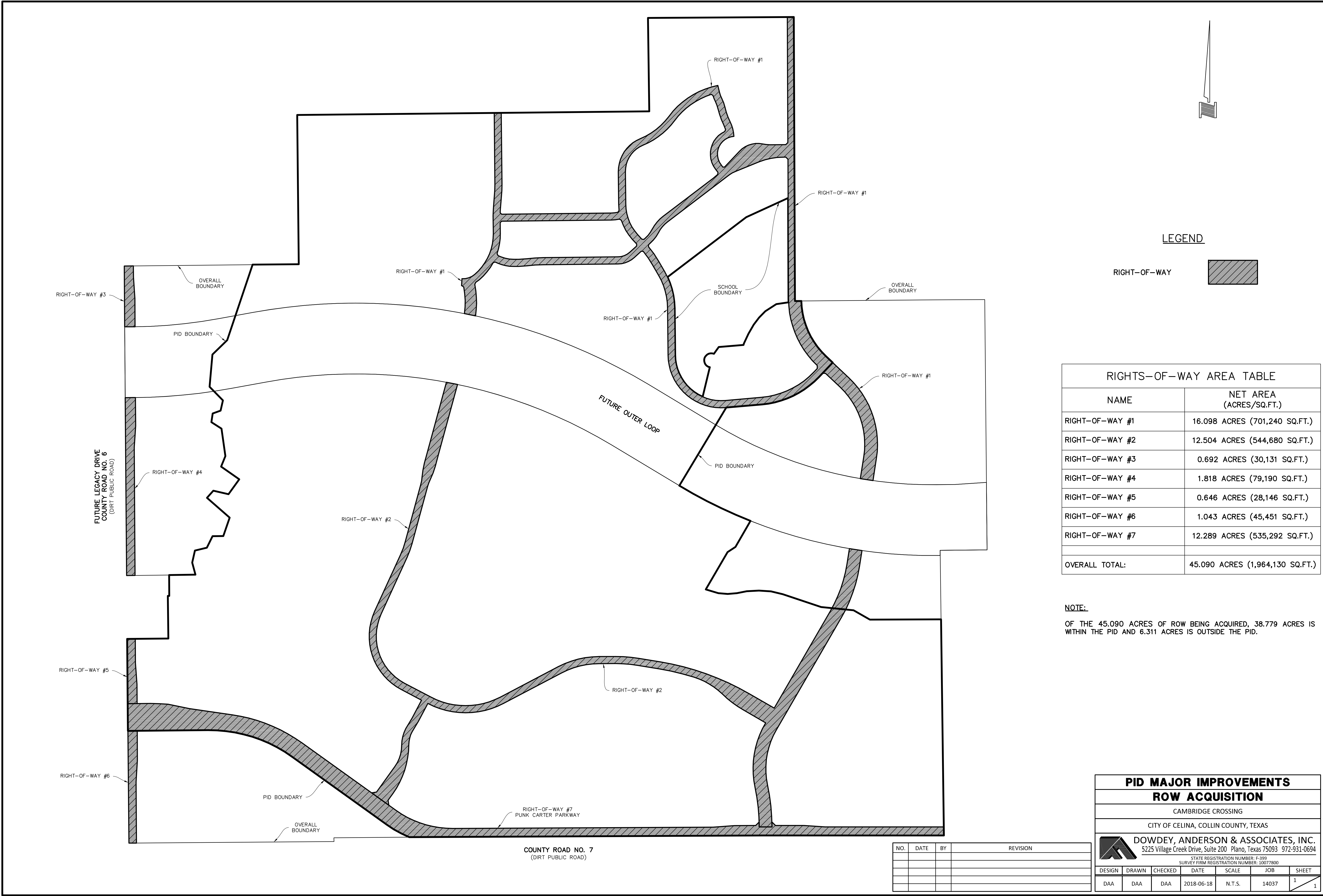






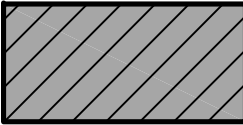


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LEGEND

RIGHT-OF-WAY



RIGHTS-OF-WAY AREA TABLE	
NAME	NET AREA (ACRES/SQ.FT.)
RIGHT-OF-WAY #1	16.098 ACRES (701,240 SQ.FT.)
RIGHT-OF-WAY #2	12.504 ACRES (544,680 SQ.FT.)
RIGHT-OF-WAY #3	0.692 ACRES (30,131 SQ.FT.)
RIGHT-OF-WAY #4	1.818 ACRES (79,190 SQ.FT.)
RIGHT-OF-WAY #5	0.646 ACRES (28,146 SQ.FT.)
RIGHT-OF-WAY #6	1.043 ACRES (45,451 SQ.FT.)
RIGHT-OF-WAY #7	12.289 ACRES (535,292 SQ.FT.)
OVERALL TOTAL:	45.090 ACRES (1,964,130 SQ.FT.)

NOTE:

OF THE 45.090 ACRES OF ROW BEING ACQUIRED, 38.779 ACRES IS WITHIN THE PID AND 6.311 ACRES IS OUTSIDE THE PID.

NO.	DATE	BY	REVISION

PID MAJOR IMPROVEMENTS

ROW ACQUISITION

CAMBRIDGE CROSSING

CITY OF CELINA, COLLIN COUNTY, TEXAS

DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10027800

DESIGN	DRAWN	CHECKED	DATE	SCALE	JOB	SHEET
DAA	DAA	DAA	2018-06-18	N.T.S.	14037	1 / 1

Appendix D

LOT TYPES AND EQUIVALENT UNITS

Draft

Appendix D Lot Types and Equivalent Units

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

“Lot Type 1” means lots identified as such on the Assessment Roll, being lots typically with approximately 10,360 square feet size and a lot width of 74 feet, which may be referred to as such in the Zoning Ordinance.

“Lot Type 2” means lots identified as such on the Assessment Roll, being lots typically with approximately 7,800 square feet size and a lot width of 60 feet, which may be referred to as such in the Zoning Ordinance.

“Lot Type 3” means lots identified as such on the Assessment Roll, being lots typically with approximately 6,000 square feet size and a lot width of 50 feet, which may be referred to as such in the Zoning Ordinance.

The following table shows the proposed residential Lot Types within the PID.

**Table D-1
Proposed Development within the PID**

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	74 Ft Lots	152 units
Lot Type 2	60 Ft Lots	537 units
Lot Type 3	50 Ft Lots	839 units
Total		1,528 units

Table D-2 below shows the proposed residential Lot Types within Phase #1.

**Table D-2
Proposed Development – Phase #1**

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	74 Ft Lots	43 units
Lot Type 2	60 Ft Lots	122 units
Lot Type 3	50 Ft Lots	165 units
Total		330 units

Draft

Table D-3 below shows the proposed residential Lot Types within Phases #2 - 7.

Table D-3
Proposed Development – Phases #2 - 7

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	74 Ft Lots	109 units
Lot Type 2	60 Ft Lots	415 units
Lot Type 3	50 Ft Lots	674 units
Total		1,198 units

As explained under Section V-C, for purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Improvements to be financed with the Phases #1 Bonds shall be allocated to the Phases #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units and the Actual Costs of the Phases #2 - 7 share of the Major Improvements to be financed with the Phases #2 – 7 Major Improvement Bonds shall be allocated to the Phases #2 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Phases #1 Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 74 Ft, 60 Ft, 50 Ft etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications (from Lot Type 1 (74 Ft Lots) representing the highest value to Lot Type 3 (50 Ft Lot) representing the lowest value for residential lots are set forth in Table D-4 below. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (74 Ft Lots) to 1.0.

Draft

Table D-4
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor¹
Lot Type 1 (74 Ft Lot)	\$592,000	1.00 per dwelling unit
Lot Type 2 (60 Ft Lot)	\$480,000	0.81 per dwelling unit
Lot Type 3 (50 Ft Lot)	\$400,000	0.68 per dwelling unit

¹ – The Equivalent Unit Factors are rounded to two decimal places.

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

Table D-5
Estimated Equivalent Units - Phase #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (74 Ft Lot)	43	1.00	43.00
Lot Type 2 (60 Ft Lot)	122	0.81	98.82
Lot Type 3 (50 Ft Lot)	165	0.68	112.20
Total Equivalent Units	330		254.02

The total estimated Equivalent Units for Phases #2 - 7 are shown in Table D-6 below as calculated based on the Equivalent Unit factors shown above, estimated Lot Types and number of units estimated to be built within Phases #2 - 7.

Table D-6
Estimated Equivalent Units - Phases #2 - 7

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (74 Ft Lot)	109	1.00	109.00
Lot Type 2 (60 Ft Lot)	415	0.81	336.15
Lot Type 3 (50 Ft Lot)	674	0.68	458.32
Total Equivalent Units	1,198		903.47

Appendix E**ASSESSMENT ROLL –Phases #2-7 Major Improvement Assessed Property**

Appendix E
Phase #2 - 7 Major Improvement Assessment Roll

Parcel	All Parcels
Assessment	\$13,795,000
Total Estimated Equivalent Units	903.47

Year	Principal ¹	Interest ¹	Administrative Expenses ²	Total Annual Installment
1	\$0	\$862,188	\$35,000	\$897,188
2	\$0	\$862,188	\$35,700	\$897,888
3	\$200,000	\$862,188	\$36,414	\$1,098,602
4	\$215,000	\$849,688	\$37,142	\$1,101,830
5	\$225,000	\$836,250	\$37,885	\$1,099,135
6	\$240,000	\$822,188	\$38,643	\$1,100,830
7	\$255,000	\$807,188	\$39,416	\$1,101,603
8	\$270,000	\$791,250	\$40,204	\$1,101,454
9	\$285,000	\$774,375	\$41,008	\$1,100,383
10	\$305,000	\$756,563	\$41,828	\$1,103,391
11	\$320,000	\$737,500	\$42,665	\$1,100,165
12	\$340,000	\$717,500	\$43,518	\$1,101,018
13	\$360,000	\$696,250	\$44,388	\$1,100,638
14	\$380,000	\$673,750	\$45,276	\$1,099,026
15	\$405,000	\$650,000	\$46,182	\$1,101,182
16	\$430,000	\$624,688	\$47,105	\$1,101,793
17	\$455,000	\$597,813	\$48,047	\$1,100,860
18	\$480,000	\$569,375	\$49,008	\$1,098,383
19	\$510,000	\$539,375	\$49,989	\$1,099,364
20	\$540,000	\$507,500	\$50,988	\$1,098,488
21	\$575,000	\$473,750	\$52,008	\$1,100,758
22	\$610,000	\$437,813	\$53,048	\$1,100,861
23	\$645,000	\$399,688	\$54,109	\$1,098,797
24	\$685,000	\$359,375	\$55,191	\$1,099,566
25	\$725,000	\$316,563	\$56,295	\$1,097,858
26	\$770,000	\$271,250	\$57,421	\$1,098,671
27	\$815,000	\$223,125	\$58,570	\$1,096,695
28	\$865,000	\$172,188	\$59,741	\$1,096,929
29	\$915,000	\$118,125	\$60,936	\$1,094,061
30	\$975,000	\$60,938	\$62,155	\$1,098,092
Total	\$13,795,000	\$17,370,625	\$1,419,883	\$32,585,508

1 - The principal and interest amounts are estimated using 5.75% per annum and includes 0.5% Additional Interest.

2 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs and will be updated in Annual Service Plan Updates.

Phases #2 - 7 Major Improvements Projected Annual Installment per Equivalent Unit**Lot Type**

Lot Type 1 (74' Lot)

Assessment

\$15,269

Equivalent Units

1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment
1	\$0	\$954	\$39	\$993
2	\$0	\$954	\$40	\$994
3	\$221	\$954	\$40	\$1,216
4	\$238	\$940	\$41	\$1,220
5	\$249	\$926	\$42	\$1,217
6	\$266	\$910	\$43	\$1,218
7	\$282	\$893	\$44	\$1,219
8	\$299	\$876	\$44	\$1,219
9	\$315	\$857	\$45	\$1,218
10	\$338	\$837	\$46	\$1,221
11	\$354	\$816	\$47	\$1,218
12	\$376	\$794	\$48	\$1,219
13	\$398	\$771	\$49	\$1,218
14	\$421	\$746	\$50	\$1,216
15	\$448	\$719	\$51	\$1,219
16	\$476	\$691	\$52	\$1,220
17	\$504	\$662	\$53	\$1,218
18	\$531	\$630	\$54	\$1,216
19	\$564	\$597	\$55	\$1,217
20	\$598	\$562	\$56	\$1,216
21	\$636	\$524	\$58	\$1,218
22	\$675	\$485	\$59	\$1,218
23	\$714	\$442	\$60	\$1,216
24	\$758	\$398	\$61	\$1,217
25	\$802	\$350	\$62	\$1,215
26	\$852	\$300	\$64	\$1,216
27	\$902	\$247	\$65	\$1,214
28	\$957	\$191	\$66	\$1,214
29	\$1,013	\$131	\$67	\$1,211
30	\$1,079	\$67	\$69	\$1,215
Total	\$15,269	\$19,227	\$1,572	\$36,067

1 - The principal and interest amounts are estimated using 5.75% per annum and includes 0.5% Additional Interest.

2 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs and will be updated in Annual Service Plan Updates.

Appendix F
ASSESSMENT ROLL – Phase #1 Assessed Property

Appendix F
Phase #1 Proposed Assessment Roll

Parcel	All Parcels
Assessment	\$9,555,000
Total Estimated Equivalent Units	254.02

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment
1	\$0	\$573,300	\$35,000	\$608,300
2	\$0	\$573,300	\$35,700	\$609,000
3	\$140,000	\$573,300	\$36,414	\$749,714
4	\$150,000	\$564,900	\$37,142	\$752,042
5	\$155,000	\$555,900	\$37,885	\$748,785
6	\$165,000	\$546,600	\$38,643	\$750,243
7	\$175,000	\$536,700	\$39,416	\$751,116
8	\$185,000	\$526,200	\$40,204	\$751,404
9	\$200,000	\$515,100	\$41,008	\$756,108
10	\$210,000	\$503,100	\$41,828	\$754,928
11	\$220,000	\$490,500	\$42,665	\$753,165
12	\$235,000	\$477,300	\$43,518	\$755,818
13	\$250,000	\$463,200	\$44,388	\$757,588
14	\$265,000	\$448,200	\$45,276	\$758,476
15	\$280,000	\$432,300	\$46,182	\$758,482
16	\$295,000	\$415,500	\$47,105	\$757,605
17	\$315,000	\$397,800	\$48,047	\$760,847
18	\$335,000	\$378,900	\$49,008	\$762,908
19	\$355,000	\$358,800	\$49,989	\$763,789
20	\$375,000	\$337,500	\$50,988	\$763,488
21	\$400,000	\$315,000	\$52,008	\$767,008
22	\$420,000	\$291,000	\$53,048	\$764,048
23	\$445,000	\$265,800	\$54,109	\$764,909
24	\$475,000	\$239,100	\$55,191	\$769,291
25	\$500,000	\$210,600	\$56,295	\$766,895
26	\$535,000	\$180,600	\$57,421	\$773,021
27	\$565,000	\$148,500	\$58,570	\$772,070
28	\$600,000	\$114,600	\$59,741	\$774,341
29	\$635,000	\$78,600	\$60,936	\$774,536
30	\$675,000	\$40,500	\$62,155	\$777,655
Total	\$9,555,000	\$11,552,700	\$1,419,883	\$22,527,583

1 - The principal and interest amounts are estimated using 5.5% per annum and includes 0.5% Additional Interest.

2- The Administrative Expenses shown include the estimated PID administration and Assessment collection costs and will be updated in Annual Service Plan Updates.

Phase #1 Projected Annual Installment per Equivalent Unit

Lot Type	Lot Type 1 (74' Lot)
Assessment	\$37,615
Equivalent Units	1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment
1	\$0	\$2,257	\$138	\$2,395
2	\$0	\$2,257	\$141	\$2,397
3	\$551	\$2,257	\$143	\$2,951
4	\$591	\$2,224	\$146	\$2,961
5	\$610	\$2,188	\$149	\$2,948
6	\$650	\$2,152	\$152	\$2,953
7	\$689	\$2,113	\$155	\$2,957
8	\$728	\$2,071	\$158	\$2,958
9	\$787	\$2,028	\$161	\$2,977
10	\$827	\$1,981	\$165	\$2,972
11	\$866	\$1,931	\$168	\$2,965
12	\$925	\$1,879	\$171	\$2,975
13	\$984	\$1,823	\$175	\$2,982
14	\$1,043	\$1,764	\$178	\$2,986
15	\$1,102	\$1,702	\$182	\$2,986
16	\$1,161	\$1,636	\$185	\$2,982
17	\$1,240	\$1,566	\$189	\$2,995
18	\$1,319	\$1,492	\$193	\$3,003
19	\$1,398	\$1,412	\$197	\$3,007
20	\$1,476	\$1,329	\$201	\$3,006
21	\$1,575	\$1,240	\$205	\$3,019
22	\$1,653	\$1,146	\$209	\$3,008
23	\$1,752	\$1,046	\$213	\$3,011
24	\$1,870	\$941	\$217	\$3,028
25	\$1,968	\$829	\$222	\$3,019
26	\$2,106	\$711	\$226	\$3,043
27	\$2,224	\$585	\$231	\$3,039
28	\$2,362	\$451	\$235	\$3,048
29	\$2,500	\$309	\$240	\$3,049
30	\$2,657	\$159	\$245	\$3,061
Total	\$37,615	\$45,479	\$5,590	\$88,684

1 - The principal and interest amounts are estimated using 5.5% per annum and includes 0.5% Additional Interest.

2- The Administrative Expenses shown include the estimated PID administration and Assessment collection costs and will be updated in Annual Service Plan Updates.



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: Ordinance approving Cambridge Crossing SAP & Ph 2-7 Roll

Action Requested:

Consider and act upon an ordinance of the City Council of the City of Celina, Texas accepting and approving a Service and Assessment Plan and Phases #2-7 assessment roll for Cambridge Crossing Public Improvement District; making a finding of special benefit to the property in the Phases #2-7 of the District; levying assessments against property within the District and establishing a lien on such property; providing for the method of assessment and the payment of the Phases #2-7 Major Improvement Assessments in accordance with Chapter 372, Texas Local Government Code, as amended. (DeBuff)

Background Information:

Celina City Council authorized the establishment of the Cambridge Crossing PID on February 28, 2017, with authorization of up to \$80,000,000 in bonds for the District to finance certain public improvements to benefit the property in the District.

This ordinance approves the Service and Assessment Plan and related assessment roll for Phases #2-7 for Cambridge Crossing.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Ordinance
- Updated Service & Assessment Plan

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. 2018-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS ACCEPTING AND APPROVING A SERVICE AND ASSESSMENT PLAN AND PHASES #2-7 MAJOR IMPROVEMENT ASSESSMENT ROLL FOR THE CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN PHASES #2-7 OF THE DISTRICT; LEVYING ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE PHASES #2-7 MAJOR IMPROVEMENT 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 January 3, 2017, 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 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 Collin Central Appraisal District and the signatures of the property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property within the District that is liable for assessment; and

WHEREAS, on February 28, 2017, 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. 2017-10R (the "Authorization Resolution") adopted by a majority of the members of the City Council, authorized and created the Cambridge Crossing Public Improvement District (the "District") in accordance with its finding as to the advisability of the Authorized Improvements; and

WHEREAS, the City published the Authorization Resolution as required by law; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary; and

WHEREAS, on July 10, 2018, the Council adopted a resolution approving the preliminary service and assessment plan, including proposed assessment rolls; calling for a public hearing to consider an ordinance levying assessments on property within Phases #2-7 of the District (the "Phases #2-7 Major Improvement Assessments"); authorizing and directing the

City Secretary of the City to file the proposed assessment rolls and make such rolls available for public inspection; authorizing and directing the publication of notice of a public hearing to consider the levying of the Phases #2-7 Major Improvement Assessments against the property within Phases #2-7 of 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, the City Secretary filed the Phases #2-7 Major Improvement 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 in *The Celina Record*, a newspaper of general circulation in the City and in the extraterritorial jurisdiction in which the improvements are to be undertaken; 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 Phases #2-7 Major Improvement Assessments; and

WHEREAS, the City Council opened the Levy and Assessment Hearing at the August 14, 2018 regular meeting of the City Council and all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Phases #2-7 Major Improvement Assessment Roll, and the proposed Phases #2-7 Major Improvement Assessments, and to offer testimony pertinent to any issue presented on the amount of the Phases #2-7 Major Improvement Assessments, the allocation of the Actual Costs of the Authorized Improvements to be undertaken for the benefit of all property to be assessed within Phases #2-7 of the District (the "Phases #2-7 Major Improvements"), the purposes of the Phases #2-7 Major Improvement Assessments, the special benefits of the Phases #2-7 Major Improvement Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Phases #2-7 Major Improvement Assessments; and

WHEREAS, the City Council finds and determines that the Phases #2-7 Major Improvement Assessment Roll and the Cambridge Crossing Public Improvement District Service and Assessment Plan, dated August 14, 2018 in a form substantially similar to the attached **Exhibit A**, which final form shall be approved by the City Manager, the City's land use attorney and the City's bond counsel prior to execution (the "Service and Assessment Plan"), and which is incorporated herein for all purposes, should be approved and that the Phases #2-7 Major Improvement Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan and the Phases #2-7 Major Improvement Assessment Roll attached thereto as Appendix E (the "Phases #2-7 Major Improvement 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 Authorized Improvements as described in the Service and Assessment Plan (the "Authorized Improvements"), which Authorized Improvements include the

Phases #2-7 Major Improvements, the Phases #2-7 Major Improvement Assessment Roll, and the levy of the Phases #2-7 Major Improvement Assessments; and

WHEREAS, prior to the issuance of bonds secured by the Phases #2-7 Major Improvement Assessments, the owners (the “Landowners” or the “Assessed Parties”), or their representatives, of the majority of the privately-owned and taxable property located within the District, and who are the persons to be assessed pursuant to this Ordinance, appeared at the public hearing and stated they approve and accept the Service and Assessment Plan, approve the Phases #2-7 Major Improvement Assessment Roll, approve this Ordinance and approve the levy of the Phases #2-7 Major Improvement Assessments against their property located within the District, agree to pay the Phases #2-7 Major Improvement Assessments when due and payable and requested that the City file the Service and Assessment Plan and/or the assessment roll with the real property records of Collin County; 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 Authorized Improvements (as reflected in the Service and Assessment Plan, and the Administrative Expenses pursuant to the Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each assessed Parcel will receive from the construction of the Authorized 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 Authorized Improvements;

(c) The Service and Assessment Plan apportions the Actual Cost(s) of an Authorized Improvement to be assessed against the property in the District and such

apportionment is made on the basis of special benefits accruing to the property because of the Authorized Improvements;

(d) All of the real property in Phases #2-7 of the District which is being assessed in the amounts shown in the Phases #2-7 Major Improvement Assessment Roll will be benefited by the Phases #2-7 Major Improvements proposed to be constructed as described in the Service and Assessment Plan, and each assessed Parcel within Phases #2-7 of the District will receive special benefits in each year equal to or greater than each annual Phases #2-7 Major Improvement Assessments and will receive special benefits during the term of the Phases #2-7 Major Improvement Assessments equal to or greater than the total amount assessed;

(e) The method of apportionment of the Actual Costs of the Authorized Improvements and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Authorized 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 Phases #2-7 Major Improvement Assessment Roll should be approved as the Phases #2-7 Major Improvement Assessment Roll for the District;

(h) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Phases #2-7 Major Improvement Assessments, interest on Annual Installments, interest and penalties on delinquent Phases #2-7 Major Improvement Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Phases #2-7 Major Improvement Assessments should be approved and will expedite collection of the Phases #2-7 Major Improvement Assessments in a timely manner in order to provide the services and improvements needed and required for the area within 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. Phases #2-7 Major Improvement Assessment Roll.

The Phases #2-7 Major Improvement Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Phases #2-7 Major Improvement Assessment Roll of the District.

Section 5. Levy and Payment of Phases #2-7 Major Improvement Assessments for Costs of the Phases #2-7 Major Improvements.

(a) The City Council hereby levies an assessment on each Parcel of property (excluding Non-Benefitted Property) located within Phases #2-7 of the District, as shown and described in the Service and Assessment Plan and the Phases #2-7 Major Improvement Assessment Roll, in the respective amounts shown on the Phases #2-7 Major Improvement Assessment Roll as an Assessment on the properties set forth in the Phases #2-7 Major Improvement Assessment Roll.

(b) The levy of the Phases #2-7 Major Improvement Assessments shall be effective on the date of execution of this Ordinance levying Phases #2-7 Major Improvement Assessments and strictly in accordance with the terms of the Service and Assessment Plan and the PID Act.

(c) The collection of the Phases #2-7 Major Improvement Assessments shall be as described in the Service and Assessment Plan and the PID Act.

(d) Each Phases #2-7 Major Improvement 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 Phases #2-7 Major Improvement 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 Phases #2-7 Major Improvement 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 Actual Costs of the Authorized Improvements and Administrative Expenses are set forth in the Service and Assessment Plan.

Section 7. Penalties and Interest on Delinquent Phases #2-7 Major Improvement Assessments.

Delinquent Phases #2-7 Major Improvement Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

Section 8. Prepayments of Phases #2-7 Major Improvement Assessments.

As provided in Section VI of the Service and Assessment Plan, the owner of any Phases #2-7 Major Improvement Assessed Property may prepay the Phases #2-7 Major Improvement Assessments levied by this Ordinance.

Section 9. Lien Priority.

The City Council and the Landowners intend for the obligations, covenants and burdens on the landowners of Phases #2-7 Major Improvement Assessed Property, including without limitation such Landowners' obligations related to payment of the Phases #2-7 Major Improvement Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Phases #2-7 Major Improvement Assessments and the Annual Installments thereof which are levied hereby shall be binding upon the Assessed Parties, as the owners of Phases #2-7 Major Improvement 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. Phases #2-7 Major Improvement Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 10. Appointment of Administrator and Collector of Assessments.

(a) **Appointment of Administrator.**

MuniCap, Inc. is hereby appointed and designated as the initial Administrator of the Service and Assessment Plan and of Phases #2-7 Major Improvement Assessments levied by this Ordinance (the "Administrator"). 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 Temporary Collector.**

The City's Director of Finance is hereby appointed and designated as the temporary collector of the Phases #2-7 Major Improvement 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 Collin County Tax Assessor and Collector, or another qualified collection agent 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 Phases #2-7 Major Improvement 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/or the Phases #2-7 Major Improvement 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 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 Phases #2-7 Major Improvement 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]

PASSED AND ADOPTED, this August 14, 2018.

CITY OF CELINA, TEXAS

Sean Terry, Mayor

ATTEST:

City Secretary

(City Seal)

STATE OF TEXAS

§
§
§

COUNTY OF COLLIN

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

Notary Public, State of Texas

(SEAL)

EXHIBIT A

Service and Assessment Plan

**CAMBRIDGE CROSSING
PUBLIC IMPROVEMENT DISTRICT
SERVICE AND ASSESSMENT PLAN**

August 6, 2018

CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN

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Section I PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On February 28, 2017 (the “Creation Date”) the City Council of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2017-10R approving and authorizing the creation of the Cambridge Crossing Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in the PID (the “Authorized Improvements”), all of which is located within the City of Celina.

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

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

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

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

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

B. Definitions

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

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (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. 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” has the meaning set forth in Section V.G of this Service and Assessment Plan.

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

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

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

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

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

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

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

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

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

“Assessment Roll” means, as applicable, the Phases #2 - 7 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, an Assessment Roll for Phases #2 - 7 of development or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

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

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

“Certification for Payment” means the certificate to be provided by the Developer, or his

designee, to substantiate the Actual Cost of one or more Authorized Improvements. “

“**City**” means the City of Celina, Texas.

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

“**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 Tollway/Outer Loop, L.P., a Texas limited partnership, and any successor owner of the Property or any portion thereof with obligation to construct all or a portion of the Authorized Improvements.

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

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

“**Homeowner Association**” means a homeowner’s association or property owners’ association established for the benefit of property owners within the boundaries of the PID.

“**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.

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

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

“**Maximum Assessment Per Unit**” mean the Assessment amount per Lot Type shown in Section V.E.

“**Major Improvements**” or “**MI**” mean the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

“**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 at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI. E.

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

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

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

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

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

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

“Phase #1 Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 Project)" that are secured primarily by Phase #1 Assessment Revenues.

“Phase #1 Improvements” mean (i) the pro rata portion of the Major Improvements allocable to Phase #1, and (ii) the Phase #1 Projects, which are described in Section III.C.

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

“Phased PID Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Phase. In connection with the Phased PID Bonds, Assessments will be levied only on Parcels located within the Phase in question.

“Phases #2 - 7” mean the property within the PID excluding Phase #1 which is to be developed subsequent to Phase #1 and generally depicted in Appendix A of this Service and Assessment Plan

or any Annual Service Plan Update.

“Phases #2 - 7 Major Improvements” mean the pro rata portion of the Major Improvements allocable to Phases #2 - 7, which are described in Section III.

“Phases #2 - 7 Major Improvement Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments levied against Phases #2 - 7 Major Improvement Assessed Property, or the Annual Installments thereof, for the Major Improvements.

“Phases #2 - 7 Major Improvement Assessed Property” means, for any year, all Parcels within the PID other than (a) Non-Benefited Property, and (b) Parcels within Phase #1.

“Phases #2 - 7 Major Improvement Assessment Roll” means the document included in this Service and Assessment Plan as Appendix E, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phases #2 - 7 Major Improvement Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2 - 7 Major Improvement Project)" that are secured primarily by Phases #2 - 7 Major Improvement Assessment Revenues.

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

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

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

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

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

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

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

“Zoning Ordinance” means Ordinance No. 2016-32 adopted by the City Council on April 12, 2016, which ordinance establishes the permitted uses of, and standards for the development of the property within the PID.

Section II PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID is presently located within the City and contains approximately 484.074 acres of land, generally located directly north of County Road 7, directly east of County Road 6, south of FM 428, and west of Dallas Parkway. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 1,528 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (1,528) is based upon the proposed development plan.

B. Property Included in Phase #1 and Phases #2 - 7

Phase #1 consists of approximately 108.523 acres and is projected to consist of 330 single family residential units, to be developed as Phase #1, as further described in Section III. Phases #2 - 7 consist of approximately 334.675 acres and are projected to consist of approximately 1,198 residential units. A map of the property within Phase #1 and Phases #2 - 7 and depicting the boundaries of each proposed Phase is shown in Appendix A.

C. Property Included in Future Phases

As Future Phases are developed, Phased PID Bonds may be issued for each new phase. In connection with the issuance of each new Phased PID Bonds, this Service and Assessment Plan will be updated to add additional details of each new Phase(s) as shown for Phase #1 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix E and Appendix F.

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

Section III DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. Authorized Improvement Overview

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

372.003. Authorized Improvements

- (a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.
- (b) A public improvement may include:
 - (i) landscaping;
 - (ii) erection of fountains, distinctive lighting, and signs;
 - (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
 - (iv) construction or improvement of pedestrian malls;
 - (v) acquisition and installation of pieces of art;
 - (vi) acquisition, construction, or improvement of libraries;
 - (vii) acquisition, construction, or improvement of off-street parking facilities;
 - (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
 - (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
 - (x) the establishment or improvement of parks;
 - (xi) projects similar to those listed in Subdivisions (i)-(x);
 - (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
 - (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and

- (xiv) payment of expenses incurred in the establishment, administration and operation of the district.

After analyzing the public improvement projects authorized by the PID Act, the City has determined that the Authorized Improvements as described in Appendix B and shown on the diagram included as Appendix C should be undertaken by the City for the benefit of the property within the PID.

B. Description of Estimated Costs of Major Improvements

The Major Improvements benefit the entire PID. The costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units.

The Major Improvements descriptions are presented below as provided by the project engineer. The costs of the Major Improvements are shown in Table III-A. The costs shown in Table III-A are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID. To the extent that an Authorized Improvement is oversized or otherwise provides special benefit to property outside of the PID, the costs of such oversizing are not included in this SAP.

Road Improvements:

The major roadway improvements 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 major water distribution system improvements 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 City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Collection System Improvements:

The major sanitary sewer collection system improvements 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 City standards and specifications and will be owned and operated by the City.

Storm Drainage Collection System Improvements

The major storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. 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-A
Estimated Major Improvement Costs

Authorized Improvements	Total Estimated Major Improvement Costs
Road improvements	\$7,252,340
Estimated Right-of-Way	<u>\$3,240,000</u>
<i>Subtotal: Road improvements including Right-of-Way</i>	<i>\$10,492,340</i>
Water distribution system improvements	\$1,020,500
Sanitary sewer collection system improvements	\$1,422,020
Storm drainage collection system improvements	\$1,047,000
Soft costs including City, professional and miscellaneous soft costs	\$364,333
Total – Estimated Major Improvement Costs	\$14,346,193

The costs shown in Table III-A are current estimates and may be revised in Annual Service Plan Updates.

C. Description of Estimated Costs of Phase #1 Improvements

The Phase #1 Improvements include a proportional share of the Major Improvements described above and the Phase #1 Projects that benefit only Phase #1. The description of the Phase #1 Projects are presented below as provided by the project engineer. The costs of the Phase #1 Projects are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Road Improvements:

The Phase #1 roadway improvements 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 Phase #1 water distribution system improvements 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 City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Collection System Improvements:

The Phase #1 sanitary sewer collection system improvements 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 City standards and specifications and will be owned and operated by the City.

Table III-B
Estimated Phase #1 Improvement Costs

Authorized Improvements	Total Estimated Phase #1 Improvement Costs
Road improvements	\$2,543,000
Water distribution system improvements	\$1,097,000
Sanitary sewer collection system improvements	\$1,003,000
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$194,000
<i>Subtotal – Estimated Phase #1 Projects</i>	<i>\$4,837,000</i>
Add: Proportional share of estimated Major Improvement Costs ¹	\$3,148,382
Total Estimated Phase #1 Improvement Costs	\$7,985,382

¹ See Section V(C) for allocation of Major Improvement costs to Phase #1.

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

The costs shown in Tables III-A and III-B are estimates and may be revised in Annual Service Plan Updates. The detailed costs of the Authorized Improvements are shown in Appendix B to this Service and Assessment Plan. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID).

D. Future Phase Authorized Improvements

As Phases are developed, additional Bonds for Future Phases will be issued to finance additional Authorized Improvements for each Future Phase. As Phased PID Bonds are issued for each Future Phase, this Service and Assessment Plan will be updated to identify the specific Authorized Improvements financed by such Phased PID Bonds that benefit each Phase (e.g., a Table III-C will be added to show the estimated costs for phase #2 Authorized Improvements, etc.).

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Section IV SERVICE PLAN

A. Sources and Uses of Funds

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five-year period. It is anticipated that it will take approximately 18 months to construct the Major Improvements and approximately 18 months for the Phase #1 Improvements to be constructed. At some point after all or a portion of the Major Improvements and Phase #1 Improvements are constructed, phase #2 will begin development. After phase #2 is developed, it is anticipated that Phase #3 will begin development, with each Future Phase to be subsequently developed corresponding to the Service and Assessment Plan to be updated with that development.

The estimated costs for Major Improvements allocable to Phases #2 – 7 and Phase #1 Improvements plus costs related to the issuance of the Bonds, in one or more series, for the Major Improvements allocable to Phases #2 – 7 and Phase #1 Improvements and payment of expenses incurred in the establishment, administration and operation of the PID is \$24,299,920 as shown in Table IV-A. The sources and uses of funds shown in Table IV-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

As Future Phases are developed in connection with the issuance of Phased PID Bonds, this Service and Assessment Plan will be amended (e.g. Table IV-A will be amended to add phase #2, etc.).

Bonds are being issued starting in 2018 to finance the Major Improvements allocable to Phases #2 – 7 and Phase #1 Improvements. Table IV-A shows the sources and uses of the Bonds. The Phase #1 Bonds are being issued to finance a portion of the Phase #1 Improvements, including costs to issue the Phase #1 Bonds, as shown in Table IV-A. Proceeds of the Phase #1 Bonds will be used to construct or acquire a portion of the Phase #1 Improvements.

Table IV-A
Estimated Sources and Uses

Sources of Funds	Phases #2- 7 Major Improvement Bonds	Phase #1 Bonds	Total
Par amount	\$13,795,000	\$9,555,000	\$23,350,000
Other funding sources	\$453,138	\$496,782	\$949,920
Total Sources	\$14,248,138	\$10,051,782	\$24,299,920
Uses of Funds			
<u><i>Major Improvements</i></u>			
Road improvements including Right-of-Way	\$8,189,716	\$2,302,624	\$10,492,340
Water distribution system improvements	\$796,543	\$223,957	\$1,020,500
Sanitary sewer improvements	\$1,109,947	\$312,073	\$1,422,020
Storm drainage improvements	\$817,228	\$229,772	\$1,047,000
Other soft and miscellaneous costs	\$284,376	\$79,957	\$364,333
Subtotal	\$11,197,811	\$3,148,382	\$14,346,193
<u><i>Phase #1 Projects</i></u>			
Road improvements	\$0	\$2,543,000	\$2,543,000
Water distribution system improvements	\$0	\$1,097,000	\$1,097,000
Sanitary sewer improvements	\$0	\$1,003,000	\$1,003,000
Storm drainage improvements	\$0	\$0	\$0
Other soft and miscellaneous costs	\$0	\$194,000	\$194,000
Subtotal	\$0	\$4,837,000	\$4,837,000
Estimated Bond issue costs	\$3,050,327	\$2,066,400	\$5,116,727
Total Uses	\$14,248,138	\$10,051,782	\$24,299,920

Notes: Phase #1 Improvements include the Phase #1 Projects described in Section III.C plus the estimated \$3,148,382 pro rata share of the Major Improvements allocated to Phase #1.

The Phases #2 - 7 Major Improvement Bonds shown in Table IV-A are anticipated to be issued in 2018. The Phases #2 - 7 Major Improvement Bonds to be issued in 2018 will be used to pay and/or reimburse the Developer for a portion of the costs of Phases #2 - 7 Major Improvements.

The Phase #1 Improvement Bonds shown in Table IV-A are anticipated to be issued in 2018. The Phase #1 Improvement Bonds to be issued in 2018 will be used to pay and/or reimburse the Developer for a portion of the costs of the Phase #1 Improvements and the pro rata share of the Major Improvements.

As Future Phases are developed, additional Bonds will be issued for each new future phase improvements. Phased PID Bonds for Phase #2 will be issued to finance the Authorized Improvements required for Phase #2, Phased PID Bonds for Phase #3 will be issued to finance the Authorized Improvements required for Phase #3 and so on as each future phase is developed. Each Phased PID Bond may also be issued in one or more series of Bonds.

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

Table IV-B
Annual Projected Costs, Annual Projected Indebtedness and Five Year Projected Service Plan

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds	Projected Five Year Annual Installments - Phase #1 ^a	Projected Five Year Annual Installments - Phases #2 – 7 ^b
2018	\$24,299,920	\$23,350,000	\$949,920	\$608,300	\$897,188
2019	\$0	\$0	\$0	\$609,000	\$897,888
2020	\$0	\$0	\$0	\$749,714	\$1,098,602
2021	\$0	\$0	\$0	\$752,042	\$1,101,830
2022	\$0	\$0	\$0	\$748,785	\$1,099,135
Total	\$24,299,920	\$23,350,000	\$949,920	\$3,467,841	\$5,094,641

(a) – See Appendix F for detail breakdown of the Phase #1 Annual Installments for each year. (b) - See Appendix E for detail breakdown of the Phases #2 – 7 Major Improvement Annual Installments for each year.

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Major Improvements shown in Table III-A, the Phase #1 Improvements shown in Table III-B, and the costs associated with setting up the PID and bond issuance costs including reserves shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer. As Future Phases are developed, in association with issuing Phased PID Bonds for each Future Phase, this Table IV-B will be updated to identify the Authorized Improvements to be financed by each new series of the Phased PID Bonds and the projected indebtedness resulting from each additional series of the Phased PID Bonds.

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Section V ASSESSMENT PLAN

A. Introduction

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

The proposed bond issuance program entails a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Phase #1 Bonds and the Phases #2 - 7 Major Improvement Bonds to be issued in 2018, subsequent financings are to be issued over the upcoming decade as the subsequent phases (e.g. Phases #2 and #3) of the development are gradually constructed.

The purpose of this gradual issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The 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 Bonds when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

Additionally, phased issuance of debt will maintain a prudent value to lien ("VtL") within the financing program. In order to maintain a prudent VtL, the initial issuance of bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt 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 special 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.

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

1. The Major Improvement and Phase #1 Improvement costs shall be allocated on the basis of the relative value of Parcels once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The City Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and

receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council has taken into consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home process provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the Authorized Improvements.

3. The Assessed Property is classified into different Lot Types as described in Appendix D based on the type and size of proposed development on each Parcel.
4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.
5. The Major Improvement costs are proportionally allocated to the Phases #2 - 7 Major Improvement Assessed Property and the Phase #1 Assessed Property based on the ratio of total projected Equivalent Units for the Phases #2 - 7 Major Improvement Assessed Property and the Phase #1 Assessed Property.
6. The Phases #2 - 7 Major Improvement Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2 - 7 Major Improvement Assessed Property based on the total projected Equivalent Units for each Parcel.
7. The Phase #1 Improvement costs (including Phase #1 Assessed Property's proportional share of the costs of the Major Improvements) are allocated to each Parcel within the Phase #1 Assessed Property based on the total Equivalent Units for each Parcel.

Table V-A provides the estimated allocation of costs of the Authorized Improvements constituting Major Improvements and Phase #1 Improvements.

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

In connection with the issuance of Phased PID Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Phased PID Bonds issued with respect to that Future Phase. Prior to assessing Parcels located within Future Phases in connection with issuance of Phased PID Bonds, 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 Major Improvements and Phase #1 Improvements, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Phase #1 Assessed Property and Phases #2 - 7 Major Improvement Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Major Improvements and Phase #1 Improvements to Parcels in a manner that results in equal shares of the Actual Costs

of such improvements being apportioned to Parcels similarly benefited. The determination 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.

As Future Phases are developed, in connection with the issuance of Phased PID Bonds this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Phase.

B. Special Benefit

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

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

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

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

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

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

exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

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

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

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the costs of the Authorized Improvement through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,
6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. Allocation of Costs to Assessed Property

The Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Major Improvement costs must be allocated throughout all Assessed Property in the District. Table V-A summarizes the allocation of estimated costs for each Major Improvement. The costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

As shown in Appendix D, Phase #1 is projected to contain 330 residential units representing 254.02 total Equivalent Units. Phases #2 - 7 are projected to contain 1,198 residential units representing total Equivalent Units of 903.47, resulting in total Equivalent Units of 1,157.49 within the PID. As a result, 21.95 percent of the estimated costs of Major Improvements (i.e. $254.02 \div 1,157.49 =$

21.95%) are allocated to the Phase #1 Assessed Property and 78.05 percent of the estimated costs Major Improvements (i.e., $903.47 \div 1,157.49 = 78.05\%$) are allocated to the Phases #2 - 7 Major Improvement Assessed Property. The Phases #2 - 7 Major Improvement Bonds will fund the proportionate share of the estimated costs of the Major Improvements allocated to Phases #2 - 7 and Phase #1 Bonds will fund Phase #1's proportionate share of the estimated costs of the Major Improvements and the remaining Phase #1 Improvements. One hundred percent (100%) of the Phase #1 Improvements are allocated to the Phase #1 Assessed Property.

Table V-A
Allocation of Major Improvement Costs

Major Improvement Estimated Costs	
Authorized Improvement	Estimated Costs
Road Improvements including Right-of-Way	\$10,492,340
Water Improvements	\$1,020,500
Sanitary Sewer Improvements	\$1,422,020
Storm Drainage Improvements	\$1,047,000
Other soft and miscellaneous costs	\$364,333
Total Major Improvements	\$14,346,193
Phase #1	
Projected total Equivalent Units	254.02
% of total units	21.95%
Proportionate Share of Costs	\$3,148,382
Phases #2 - 7	
Projected total Equivalent Units	903.47
% of total units	78.05%
Proportionate Share of Costs	\$11,197,811

D. Assessment Methodology

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

1. Assessment Methodology for the Major Improvements for Phases #2 - 7

For purpose of this Service and Assessment Plan, the City Council determined that the portion of the Major Improvement costs to be allocated to Phases #2 - 7 shall be allocated to the Phases #2 - 7 Major Improvement Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units anticipated to be developed on each Parcel as calculated

and shown in Appendix D using the types and number of lots anticipated to be developed on each Parcel within Phases #2 - 7. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Based on the estimates of the costs of the Major Improvements, as set forth in Table III-A, the City Council has determined that the benefit to Phases #2 - 7 Major Improvement Assessed Property of the Phases #2 - 7 proportional share of the Major Improvements is at least equal to the Assessments levied on the Phases #2 - 7 Major Improvement Assessed Property.

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

The Assessment and Annual Installments for each Parcel or Lot located within Phases #2 - 7 is shown on the Phases #2 - 7 Major Improvement Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. *Assessment Methodology for Phase #1*

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

Based on the estimates of the costs of the Phase #1 Improvements, as set forth in Table III-B, the City Council has determined that the benefit to Phase #1 Assessed Property of the Phase #1 Improvements (including Phase #1's proportional share of the Major Improvements) is at least equal to the Assessments levied on the Phase #1 Assessed Property.

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

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

3. *Assessment Methodology for Future Phases*

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

E. **Assessments**

The Assessments for the Phases #2 - 7 Major Improvement Bonds and the Phase #1 Bonds will be levied on each Parcel according to the Phases #2 - 7 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, attached hereto as Appendix E and Appendix F, respectively.

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #1 Bonds, which represents the total Assessment to be allocated on all Parcels within Phase #1, is \$9,555,000. As shown in Appendix D, there are a total of 330 residential units representing a total of 254.02 estimated Equivalent Units for the residential development in Phase #1, resulting in a Maximum Assessment per Equivalent Unit of \$37,615.15 for Phase #1.

The Assessment per dwelling unit is calculated as the product of (i) \$37,615.15 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (74 Ft Lot) dwelling unit is \$37,615.15 (i.e. $\$37,615.15 \times 1.00$). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$30,468.27 (i.e. $\$37,615.15 \times 0.81$). Table V-1 sets forth the Assessment per dwelling unit for each of the three Lot Types in Phase #1.

Table V-1
Maximum Assessment per Unit - Phase #1

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor ¹	Assessment per Unit	Total Assessments
Lot Type 1 (74' Lot)	43	\$37,615.15	1.00	\$37,615.15 per dwelling unit	\$1,617,451
Lot Type 2 (60' Lot)	122	\$37,615.15	0.81	\$30,648.27 per dwelling unit	\$3,717,129
Lot Type 3 (50' Lot)	165	\$37,615.15	0.68	\$25,578.30 per dwelling unit	\$4,220,420
Total	330				\$9,555,000

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

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

Table V-2
Projected Leverage – Phase #1

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (74' Lot)	43	\$118,400	\$592,000	\$37,615	3.15	15.74
Lot Type 2 (60' Lot)	122	\$96,000	\$480,000	\$30,648	3.15	15.75
Lot Type 3 (50' Lot)	165	\$80,000	\$400,000	\$25,578	3.13	15.64
Total	330					

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

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

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
Lot Type 1 (74' Lot)	43	\$118,400	\$592,000	\$2,956	\$2.50	\$0.50
Lot Type 2 (60' Lot)	122	\$96,000	\$480,000	\$2,394	\$2.49	\$0.50
Lot Type 3 (50' Lot)	165	\$80,000	\$400,000	\$2,010	\$2.51	\$0.50
Total	330					

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phases #2 - 7 Major Improvement Bonds, which represents the total Assessment to be allocated on all Parcels within Phases #2 - 7, is \$13,795,000. As shown in Appendix D, there are a total of 1,198 residential units representing a total of 903.47 estimated Equivalent Units for the residential development in Phases #2 - 7, resulting in an Assessment per Equivalent Unit of \$15,268.91 for Phases #2 - 7.

The Assessment per dwelling unit is calculated as the product of (i) \$15,268.91 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (74 Ft Lot) dwelling unit is \$15,268.91 (i.e. \$15,268.91 $\times$ 1.00). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$12,367.82 (i.e. \$15,268.91 $\times$ 0.81). Table V-4 sets forth the Assessment per dwelling unit for each of the three Lot Types in Phases #2 - 7.

Table V-4
Assessment per Unit - Phases #2 - 7

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor ¹	Assessment per Unit	Total Assessments
Lot Type 1 (74' Lot)	109	\$15,268.91	1.00	\$15,268.91 per dwelling unit	\$1,664,311
Lot Type 2 (60' Lot)	415	\$15,268.91	0.81	\$12,367.82 per dwelling unit	\$5,132,643
Lot Type 3 (50' Lot)	674	\$15,268.91	0.68	\$10,382.86 per dwelling unit	\$6,998,046
Total	1,198				\$13,795,000

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

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

Table V-5
Projected Leverage – Phases #2 - 7

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (74' Lot)	109	\$118,400	\$592,000	\$15,269	7.75	38.77
Lot Type 2 (60' Lot)	415	\$96,000	\$480,000	\$12,368	7.76	38.81
Lot Type 3 (50' Lot)	674	\$80,000	\$400,000	\$10,383	7.71	38.53
Total	1,198					

The projected tax rate equivalent per unit calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-6 below.

Table V-6
Estimated Tax Rate Equivalent per unit – Phases #2 - 7

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
Lot Type 1 (74' Lot)	109	\$118,400	\$592,000	\$1,202	\$1.02	\$0.20
Lot Type 2 (60' Lot)	415	\$96,000	\$480,000	\$974	\$1.01	\$0.20
Lot Type 3 (50' Lot)	674	\$80,000	\$400,000	\$818	\$1.02	\$0.20
Total	1,198					

The Annual Installments for the Phases #2 - 7 Major Improvement Bonds and the Phase #1 Bonds will be collected at the time and in the amounts shown on the Phases #2 - 7 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, respectively, subject to any revisions made during an Annual Service Plan Update.

F. Administrative Expenses

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

G. Additional Interest

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%) (the “Additional Interest”). The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with the Additional Interest component of the Annual Installments allocated to fund a reserve to be used for paying prepayment and delinquency related costs (the “Prepayment and Delinquency Reserve”). The Prepayment and Delinquency Reserve shall be funded until it reaches 5.50% of the outstanding Bonds as stipulated in the Bond documents. Once the Prepayment and Delinquency Reserve is funded in full, the City may allocate the Additional Interest component of the Annual Installments as provided in the Trust Indenture.

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Section VI TERMS OF THE ASSESSMENTS

A. Amount of Assessments and Annual Installments for Parcels Located within Phases #2 - 7

The Assessment and Annual Installments for each Assessed Property located within Phases #2 - 7 are shown on the Phases #2 - 7 Major Improvement 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 Phases #2 - 7 Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phases #2 - 7 Major Improvement Bonds, (ii) the Additional Interest to fund the Prepayment and Delinquency Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and other available funds.

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

The Assessment and Annual Installments for each Assessed Property located within Phase #1 is shown on the Phase #1 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 Phase #1 Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phase #1 Bonds, (ii) the Additional Interest to fund the Prepayment and Delinquency Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and other available funds.

C. Amount of Assessments and Annual Installments for Parcels Located Within Future Phases

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for phase #2, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

D. Reallocation of Assessments

1. Subdivision

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

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

Where the terms have the following meanings:

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

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

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

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

E. Mandatory Prepayment of Assessments

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.
2. If at any time the Assessment per Unit on a Parcel exceeds the applicable Maximum Assessment per Unit calculated in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Unit for the Parcel exceeds the applicable Maximum Assessment per Unit calculated in this Service and Assessment Plan.
3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

F. Reduction of Assessments

1. If after all Authorized Improvements to be funded with a series of Bonds have been completed and Actual Costs for such Authorized Improvements are less than the estimated costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Collection Costs, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Collection Costs. The Principal Portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the Bonds is equal to the outstanding principal amount of the Bonds.

G. Payment of Assessments

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include interest through the date of the prepayment and applicable Prepayment Costs.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus interest through the date of prepayment and applicable Prepayment Costs may be paid in part. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such

Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

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

Each Assessment shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds. The Phases #2 - 7 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated interest rate of 5.75% and additional interest at the rate of 0.5% for Administrative Expenses or the Additional Interest to fund the Prepayment and Delinquency Reserve. The Phase #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated interest rate of 5.50%, and the Additional Interest at the rate of 0.5% to fund Prepayment and Delinquency Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls will be updated with the actual interest rates on the Bonds, as shown as Appendix E and Appendix F.

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

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

H. Collection of Annual Installments

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

other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

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

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Section VII THE ASSESSMENT ROLL

A. Phases #2 – 7 Major Improvement Assessment Roll

Each Parcel within Phases #2 - 7 has been evaluated by the City Council (based on the concept plan, developable area, proposed Homeowner Association Property and Public Property, the Major Improvements, best and highest use of land, and other development factors deemed relevant by the City Council) to determine the Assessed Property within each Parcel.

Phases #2 - 7 Major Improvement Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Major Improvements. Table IV-A summarizes the \$14,248,138 in special benefit received by Phases #2 - 7 from a portion of the Major Improvements, the pro rata costs of the PID formation, and bond issuance costs for the proposed Phases #2 - 7 Major Improvement Bonds. The amount of Phases #2 - 7 Major Improvement Bonds is \$13,795,000, which is less than the benefit received by Phases #2 - 7 Major Improvement Assessed Property, and as such the total Assessment for all Assessed Property within Phases #2 - 7 is \$13,795,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within the Phases #2 - 7 is calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phases #2 - 7 Major Improvement Assessment Roll is attached hereto as Appendix E.

B. Phase #1 Assessment Roll

Phase #1 Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Phase #1 Improvements that benefit Phase #1, which include a proportionate share of the Major Improvements allocable to Phase #1. Table IV-A summarizes the \$10,051,782 in special benefit received by Phase #1 Assessed Property from the Phase #1 Improvements that benefit Phase #1, including the proportionate share of the Major Improvements allocable to Phase #1, the pro rata costs of the PID formation, and bond issuance costs for the proposed Phase #1 Bonds. The total amount of Phase #1 Bonds is \$9,555,000, which is less than the benefit received by Phase #1 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #1 is \$9,555,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within Phase #1 is calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phase #1 Assessment Roll is attached hereto as Appendix E.

C. Future Phase Assessment Roll

As Future Phases are developed, this Service and Assessment Plan will be updated to determine the Assessment for each Parcel located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for Phase #2, etc.).

D. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phases #2 - 7 Major Improvement Assessment Roll and Phase #1 Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with

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

Once Bonds are issued, the Assessment Rolls shall be updated, which update may be done in the next Annual Service Plan Update, to reflect any changes resulting from the issuance of the Bonds. This update shall reflect the actual interest on the 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 Bonds and Developer funds.

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Section VIII MISCELLANEOUS PROVISIONS

A. Administrative Review

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

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

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

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

B. Termination of Assessments

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

C. Amendments

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

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

(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. Administration and Interpretation of Provisions

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act, and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust 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 Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

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

Appendix A

The PID MAP AND LEGAL DESCRIPTIONS

Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Appendix C

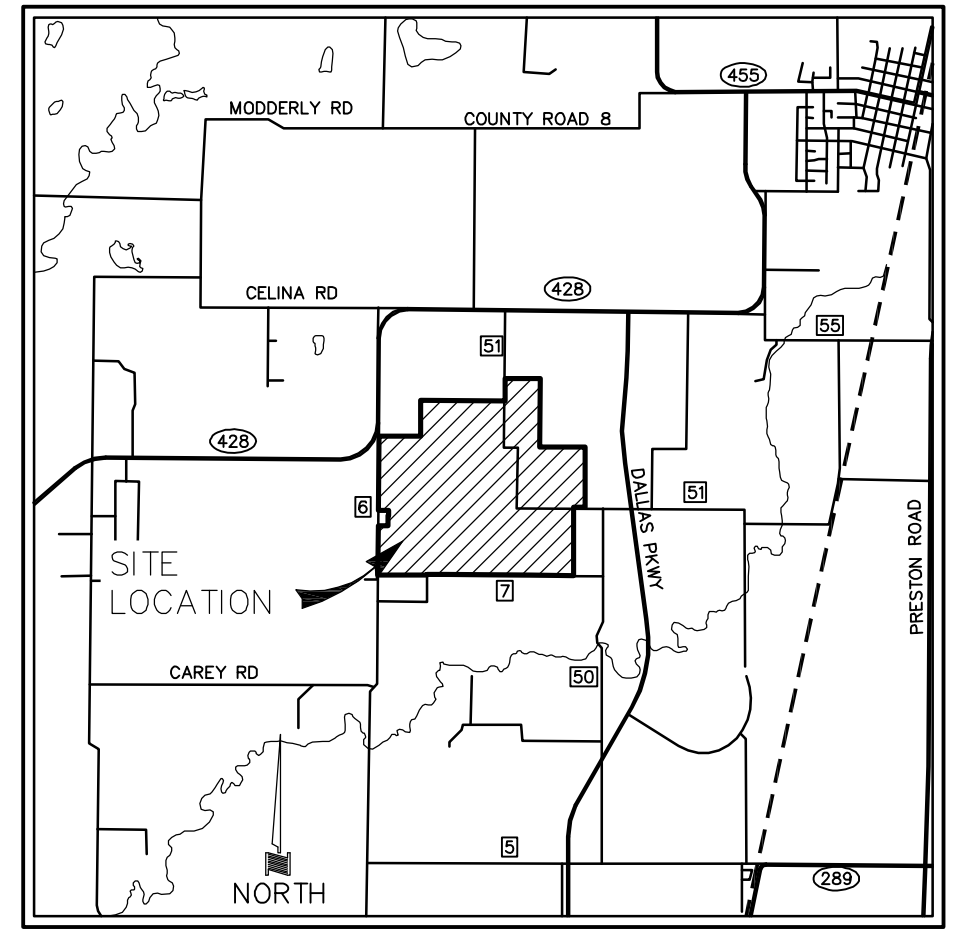
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

Appendix D

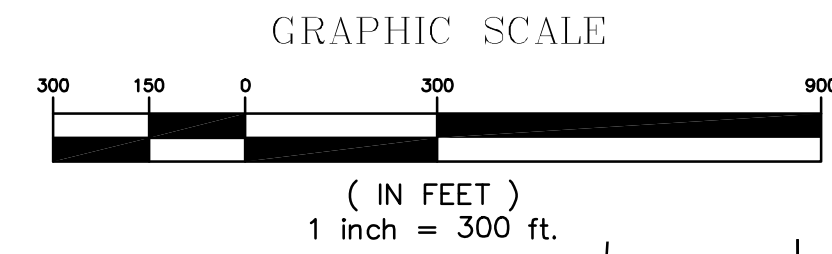
LOT TYPES AND EQUIVALENT UNITS

Appendix A

The PID MAP AND LEGAL DESCRIPTIONS



LOCATION MAP
NOT TO SCALE



LOT TYPE	PHASES							LOT TYPE SUMMARY	LOT TYPE %
	1	2	3	4	5	6	7		
50'	165	125	157	53	82	73	184	839	54.9
60'	122	9	67	111	121	107	0	537	35.1
74'	43	0	33	28	10	38	0	152	10.0
SUMMARY BY PHASE	330	134	257	192	213	218	184	1,528	-

*SUMMARY NOTE:

RESIDENTIAL LOT TOTALS ARE APPROXIMATE AND ARE SUBJECT TO CHANGE AT FINAL ENGINEERING AND PLATTING BASED ON CURRENT MARKET DEMANDS AND CONSTRUCTION; IN THE EVENT THE FUTURE SCHOOL SITE IS NOT UTILIZED THIS AREA SHALL BE PERMITTED TO YIELD ±50 RESIDENTIAL LOTS; IN THE EVENT THE DETENTION AREAS ARE NOT UTILIZED THESE AREAS SHALL BE PERMITTED TO YIELD ±15 RESIDENTIAL LOTS; THE ULTIMATE DEVELOPMENT SHALL COMPLY WITH THE APPROVED ZONING PD.

GENERAL DEVELOPMENT PLAN EXHIBIT
CAMBRIDGE CROSSING

±455.29 ACRES RESIDENTIAL

AN ADDITION TO THE CITY OF CELINA
F.D. GARY SURVEY, ABST. 360
I.C. WILLIAMSON SURVEY, ABST. 943
RICHARD ALDERSON SURVEY, ABST. 7
AND T STATEN SURVEY, ABST. 806
COLLIN COUNTY, TEXAS

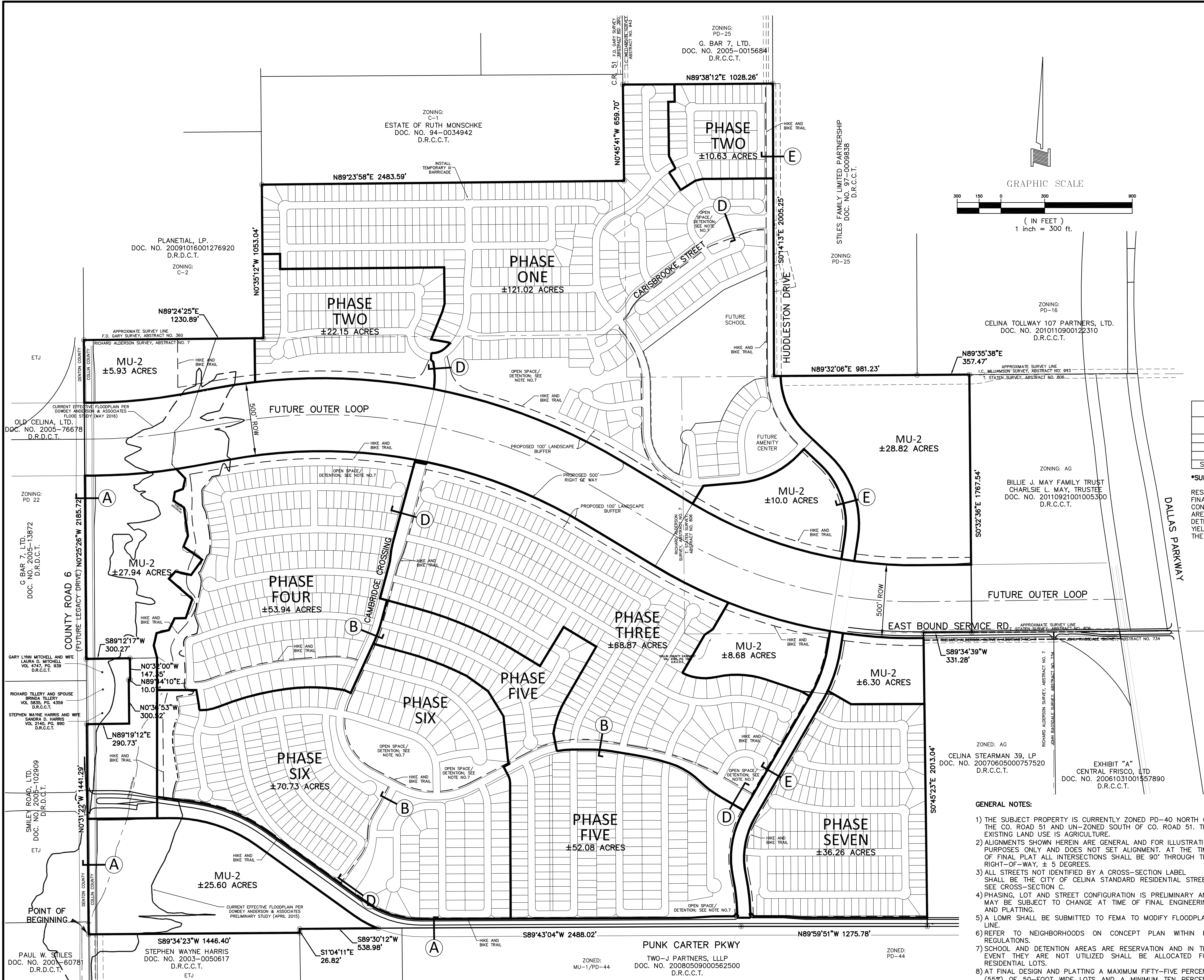
APRIL, 2016 SCALE: 1"=300'

OWNER/DEVELOPER
TOLLWAY/OUTER LOOP, L.P.
8750 N. CENTRAL EXPRESSWAY
STE. 1735
DALLAS, TEXAS 75231
214-691-2556
CONTACT: MATT ALEXANDER P.E.

ENGINEER/SURVEYOR
DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10077800
CONTACT : MICHAEL DOWDEY P.E.

GENERAL NOTES:

- 1) THE SUBJECT PROPERTY IS CURRENTLY ZONED PD-40 NORTH OF THE CO. ROAD 51 AND UN-ZONED SOUTH OF CO. ROAD 51. THE EXISTING LAND USE IS AGRICULTURE.
- 2) ALIGNMENTS SHOWN HEREIN ARE GENERAL AND FOR ILLUSTRATIVE PURPOSES ONLY AND DOES NOT SET ALIGNMENT. AT THE TIME OF FINAL PLAT ALL INTERSECTIONS SHALL BE 90° THROUGH THE RIGHT-OF-WAY, ± 5 DEGREES.
- 3) ALL STREETS NOT IDENTIFIED BY A CROSS-SECTION LABEL SHALL BE THE CITY OF CELINA STANDARD RESIDENTIAL STREET; SEE CROSS-SECTION C.
- 4) PHASING, LOT AND STREET CONFIGURATION IS PRELIMINARY AND MAY BE SUBJECT TO CHANGE AT TIME OF FINAL ENGINEERING AND PLATTING.
- 5) A LOMR SHALL BE SUBMITTED TO FEMA TO MODIFY FLOODPLAIN LINE.
- 6) REFER TO NEIGHBORHOODS ON CONCEPT PLAN WITHIN PD REGULATIONS.
- 7) SCHOOL AND DETENTION AREAS ARE RESERVATION AND IN THE EVENT THEY ARE NOT UTILIZED SHALL BE ALLOCATED FOR RESIDENTIAL LOTS.
- 8) AT FINAL DESIGN AND PLATTING A MAXIMUM FIFTY-FIVE PERCENT (55%) OF 50-FOOT WIDE LOTS AND A MINIMUM TEN PERCENT (10%) OF 70-FOOT WIDE LOTS SHALL BE ALLOTTED.



LEGAL DESCRIPTION

BEING a tract of land situated in the RICHARD ALDERSON SURVEY, ABSTRACT NO. 7, F.D. GARY SURVEY, ABSTRACT NO. 360, T. STATEN SURVEY, ABSTRACT NO. 806, and the I.C. WILLIAMSON SURVEY, ABSTRACT NO. 943, Collin County, Texas, and being all of that tract of land conveyed to Godwin Investments, LTD., according to the document filed of record in Document Number 20070205000163510 and 20130401000422650, Deed Records, Collin County, Texas, and being all of that tract of land conveyed to Jerry Glen Hansel and wife, Sally Haggard Hansel, according to the document filed of record in Document Number 92-0077846, Deed Records, Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod with a red plastic cap found in the approximate center line of Legacy Drive, a variable width right-of-way, (also known as County Road No. 6) for the southwest corner of said Godwin Investments, LTD. tract, recorded in Document 20130401000422650, same being the northwest corner of a tract of land conveyed to Stephen Wayne Harris, according to the document filed of record in Document Number 2003-0050617, Deed Records, Collin County, Texas, same being the northeast corner of a tract of land conveyed to Paul W. Stiles, according to the document filed of record in Document Number 2001-60781, Deed Records, Denton County, same being the southeast corner of a tract of land conveyed to Smiley Road, LTD., according to the document filed of record in Document Number 2005-102909, Deed Records, Denton County, Texas;

THENCE North 00° 31' 22" West, with the common west line of said Godwin tract and east line of said Smiley Road tract, a distance of 1,441.29 feet to a 1/2 inch iron rod with a red plastic cap found for the southwest corner of a tract of land conveyed to Stephen W. Harris and wife, Sandra D. Harris, according to the document filed of record in Volume 3399, Page 27, Deed Records, Collin County, Texas;

THENCE North 89° 19' 12" East, with the south line of said Harris tract, a distance of 290.73 feet to a 1/2 inch iron rod with a yellow plastic cap stamped DAA set for the southeast corner of said Harris tract;

THENCE North 00° 36' 53" West, a distance of 300.52 feet to a 1/2 inch iron rod found in the south line of a tract of land conveyed to Gary Lynn Mitchell and wife, Laura D. Mitchell, according to the document filed of record in Volume 4747, Page 939, Deed Records, Collin County, and being the northeast corner of a tract of land conveyed to Richard Tillery and Spouse, Brinda Tillery, as recorded Volume 5835, Page 4358, Deed Records, Collin County, Texas;

THENCE North 89° 44' 10" East, with the south line of said Mitchell tract, a distance of 10.07 feet to a 1/2 inch iron rod with an orange plastic cap found for the southeast corner of said Mitchell tract;

THENCE North 00° 32' 00" West, with the east line of said Mitchell tract, a distance of 147.35 feet to a 1/2 inch iron rod with an orange plastic cap found in the south line of the above mentioned Godwin tract recorded in Document Number 20070205000163510 and being the common northeast corner of said Mitchell tract and northwest corner of said Godwin tract recorded in Document Number 20130401000422650;

THENCE South 89° 12' 17" West, leaving said common corner and with the north line of said Mitchell tract, passing at a distance of 270.26 feet, a 1/2 inch iron rod with an orange plastic cap found for reference and continuing for a total distance of 300.27 feet to a 3/8 inch iron rod found in the east line of a tract of land conveyed to G Bar 7, LTD., according to the document filed of record in Document Number 2005-13872, Deed Records, Collin County, Texas, and being the common southwest corner of said Godwin tract recorded in Document Number 20070205000163510 and the northwest corner of said Mitchell tract;

THENCE North 00° 25' 26" West, leaving said common corner and with the common west line of said Godwin tract and east line of said G Bar 7, LTD. tract, a distance of 2,185.72 feet to a 3/8 inch iron rod found for the common most westerly northwest corner of said Godwin tract and southwest corner of a tract of land conveyed to Planetial, LP, according to the document filed of record in Document Number 20091016001276920, Deed Records, Collin County, Texas;

THENCE North 89° 24' 25" East, leaving said common corner and with the south line of said Planetial, LP tract, a distance of 1,230.89 feet to a 5/8 inch iron rod with a yellow plastic cap found for the southeast corner of said Planetial, LP tract;

THENCE North 00° 35' 12" West, with the east line of said Planetial, LP tract, a distance of 1,053.04 feet to a 1/2 inch iron rod found for the common northwest corner of the said Godwin tract and southwest corner of a tract of land conveyed to Hardy Burke, according to the document filed of record in Document Number 94-0034942, Deed Records, Collin County, Texas;

THENCE North 89° 23' 58" East, leaving said east line and with the common north line of said Godwin tract and south line of said Hardy Burke tract, a distance of 2,483.59 feet to a 1/2 inch iron rod found with a yellow plastic cap found for the southeast corner of said Hardy Burke tract;

THENCE North 00° 45' 41" West, with the east line of said Hardy Burke tract, a distance of 659.70 feet to a 1/2 inch iron rod with a yellow plastic cap found for the southwest corner of a tract of land conveyed to G Bar 7, LTD, according to the document filed of record in Document Number 2005-0015684, Deed Records, Collin County, Texas;

THENCE North 89° 38' 12" East, leaving said east line and with the common north line of said Godwin tract and south line of said G Bar 7, LTD tract, a distance of 1,028.26 feet to a 1/2 inch iron rod found in the west line of a tract of land conveyed to Stiles Family Limited Partnership, according to the document filed of record in Document Number 97-0009838, Deed Records, Collin County, Texas, same being the common northeast corner of said Godwin tract and southeast corner of said G Bar 7, LTD tract;

THENCE South 00° 14' 13" East, leaving said common corner and with the common east line of said Godwin Tract and west line of said Stiles Family Limited Partnership tract, a distance of 2,005.25 feet to a 1/2 inch iron rod with a yellow plastic cap found for the southwest corner of said Stiles tract;

THENCE North 89° 32' 06" East, with the south line of said Stiles tract, a distance of 981.23 feet to a 1/2 iron rod found for the common southeast corner of said Stiles tract and southwest corner of a tract of land conveyed to Celina Tollway 107 Parntership, LTD, according to the document filed of record in Document Number 2010110900122310, Deed Records, Collin County, Texas;

THENCE North 89° 35' 38" East, leaving said common corner and with the south line of said Celina Tollway 107 Partnership, LTD tract, a distance of 357.47 feet to a 1/2 inch iron rod found for the common northeast corner of said Godwin tract and northeast corner of a tract of land conveyed to Billie J. May Family Trust, according to the document filed of record in Document Number 20110921001005300, Deed Records, Collin County, Texas;

THENCE South 00° 32' 36" East, leaving said common corner and with the common east line of said Godwin tract and west line of said Billie J. May Family Trust tract, a distance of 1,767.54 feet to a 1/2 inch iron rod found in the north line of a tract of land conveyed to Celina Stearman 39, LP, according to the document filed of record in Document Number 20070605000757520, Deed Records, Collin County, Texas, same being the common most easterly corner of said Godwin tract and the southwest corner of said Billie J. May Family Trust tract;

THENCE South 89° 34' 39" West, leaving said common corner and with the common south line of said Godwin tract and north line of said Celina Stearman 39, LP tract, a distance of 331.28 feet to a 1/2 inch iron rod with a yellow plastic cap found for the northwest corner of said Celina Stearman 39, LP tract, and being a common corner of said Godwin tract;

THENCE South 00° 45' 23" East, with the common east line of said Godwin tract and west line of said Celina Stearman 39, LP tract, a distance of 2,013.04 feet to a point for corner from which a 1/2 inch iron rod found in the north line of a tract of land conveyed to Two-J Partners, LLLP, according to the document filed of record in Document Number 20080509000562500, Deed Records, Collin County, Texas, bears North 83°12'48" West, 0.58 feet, said point being the common southeast corner of said Godwin tract and southwest corner of said Celina Stearman 39, LP tract;

THENCE North 89° 59' 51" West, leaving said common corner and with the common south line of said Godwin tract and north line of said Two-J Partners, LLP tract, a distance of 1,275.78 feet to a point for corner from which a 1/2 inch bolt found bears South 89°40'46" West, 0.40 feet, said point being the common southwest corner of said Godwin tract and southeast corner of the above mentioned Jerry Glen Hansel & Wife Sally Haggard Hansel tract;

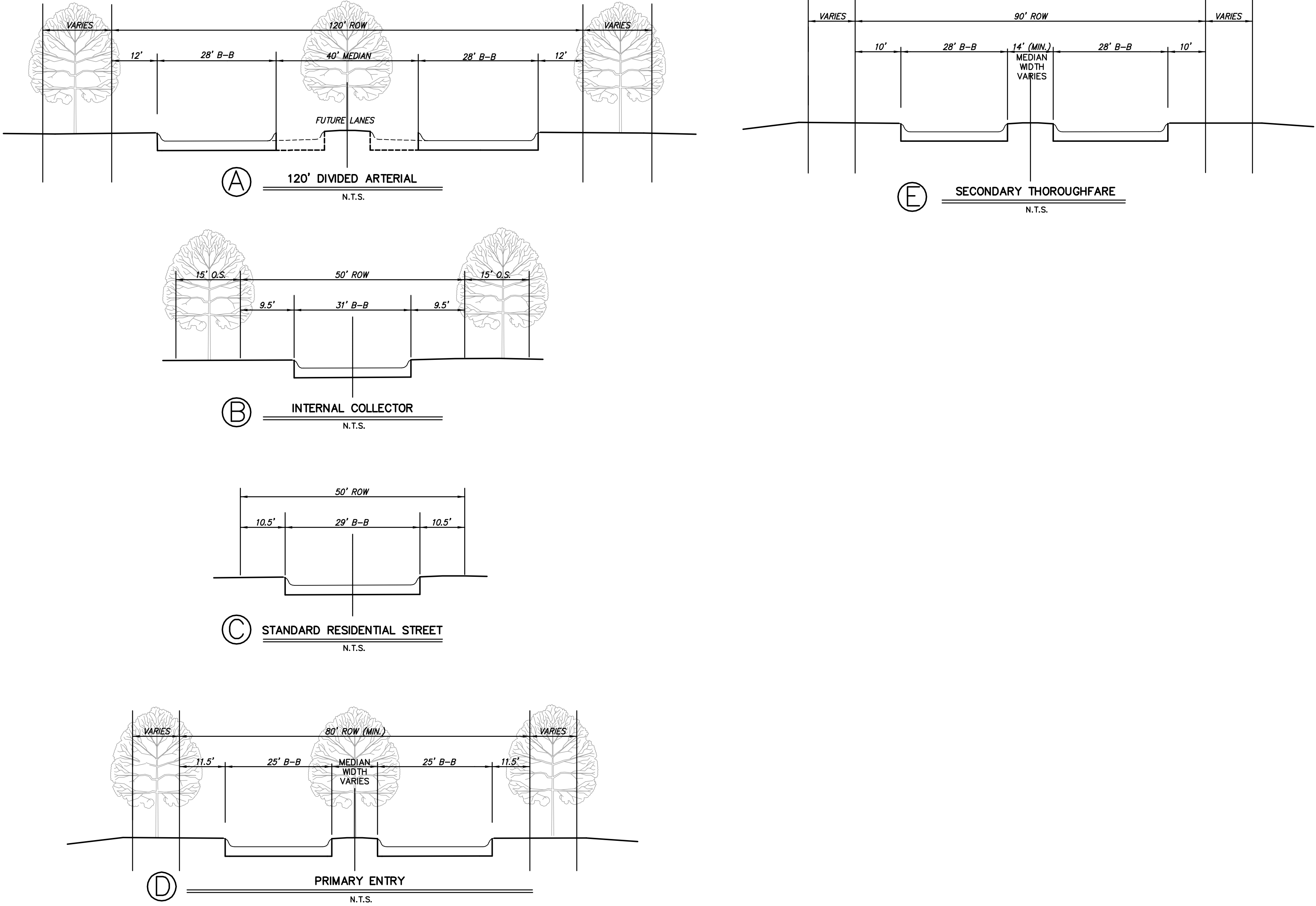
THENCE South 89° 43' 04" West, leaving said common corner and with the common south line of said Hansel tract and north line of said Two-J Partners, LLLP tract, passing at a distance of 2,477.60 feet a 5/8 inch iron rod with a red plastic cap found, continuing for a total a distance of 2,488.02 feet, for the common southwest corner of said Hansel tract and the southeast corner of the above mentioned Godwin Investments, LTD tract, recorded in Document Number 20130401000422650;

THENCE South 89° 30' 12" West, leaving said common corner and with the common south line of said Godwin tract, recorded in Document Number 20130401000422650 and north line of said Two-J Partners, LLLP tract, a distance of 538.98 feet to a 1/2 inch iron rod with a red plastic cap found for the northwest corner of said Two-J Partners, LLLP tract;

THENCE South 01° 04' 11" East, with the west line of said Two-J Parnters, LLLP tract, a distance of 26.82 feet to a 1/2 inch iron rod found for the northeast corner of the above mentioned Stephen Wayne Harris tract, for the most southerly southeast corner of said Godwin tract;

THENCE South 89° 34' 23" West, leaving said west line and with the common south line of the above mentioned Godwin tract and north line of said Harris tract, a distance of 1,446.40 feet to the POINT OF BEGINNING and containing 639.617 acres of land, more or less.

STREET CROSS SECTIONS



GENERAL DEVELOPMENT PLAN EXHIBIT
CAMBRIDGE CROSSING

±455.29 ACRES RESIDENTIAL

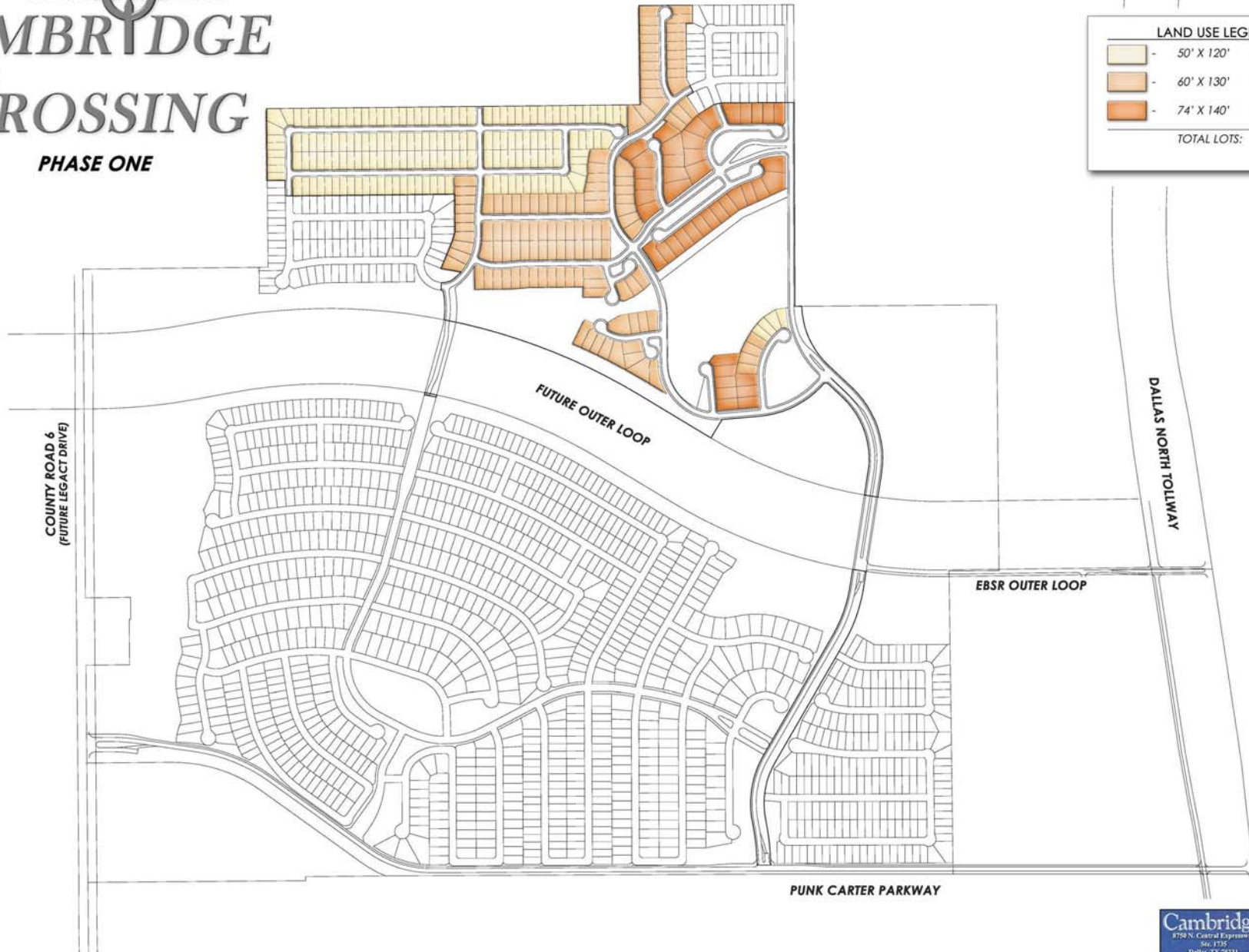
AN ADDITION TO THE CITY OF CELINA
F.D. GARY SURVEY, ABST. 360
I.C. WILLIAMSON SURVEY, ABST. 943
RICHARD ALDERSON SURVEY, ABST. 7
AND T STATEN SURVEY, ABST. 806
COLLIN COUNTY, TEXAS

APRIL, 2016 SCALE: 1"=300'

OWNER/DEVELOPER
TOLLWAY/OUTER LOOP LP
8750 N. CENTRAL EXPRESSWAY
STE. 1735
DALLAS, TEXAS 75231
214-691-2556
CONTACT: MATT ALEXANDER P.E.

ENGINEER/SURVEYOR
DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10077800
CONTACT : MICHAEL DOWDEY P.E.

CELINA TEXAS
CAMBRIDGE
CROSSING
 PHASE ONE



Attachment: Celina - Cambridge Crossing #2-7 2018 - Assessment Ordinance MASTER (2018 - 41 :



NEED PLANNER
 WDEY, ANDERSON
 ASSOCIATES, INC.
 8750 N. Central Expressway
 Suite 1100
 Dallas, TX 75231
 Tel: 972.200.1000 Fax: 972.200.1001



This is a conceptual layout and does not necessarily depict the project as it shall finally be developed.

NOTE:

- 1) THE STREET PATTERN AND OPEN SPACE AREAS ARE FOR ILLUSTRATIVE PURPOSES AND ARE SUBJECT TO FUTURE ALTERATION DURING THE DESIGN PROCESS.
- 2) LOTS ADJACENT TO THE FLOODPLAIN MAY EXTEND INTO THE FLOODPLAIN; THE LIMITS OF THE FLOODPLAIN WILL BE DEFINED WITH FUTURE ENGINEERING PLANS.
- 3) FOR ADDITIONAL INFORMATION ON DESIGN REGULATIONS FOR EACH TYPE OF USE, PLEASE REFER TO THE PLANNED DEVELOPMENT STANDARDS.
- 4) THE OVERALL MAXIMUM NUMBER OF RESIDENTIAL LOTS SHALL BE 2000. THE MAXIMUM NUMBER OF TYPE 3 LOTS WITHIN THE "SF-R" AREA SHOWN SHALL BE 55%. THE MINIMUM NUMBER OF TYPE 1 LOTS WITHIN THE "SF-R" AREA SHOWN SHALL BE 10%.

PROPOSED LAND USE SUMMARY

SINGLE FAMILY	±376 AC (59%)
MU-2	±78 AC (12%)
OPEN SPACE	±89 AC (14%)
RIGHT-OF-WAY	±97 AC (15%)

TOTAL LAND AREA ±639 AC

NOTE:

THE ACREAGES SHOWN ABOVE ARE APPROXIMATE BASED ON THE CONCEPT PLAN AND ARE SUBJECT TO CHANGE WITH FUTURE PLATS.

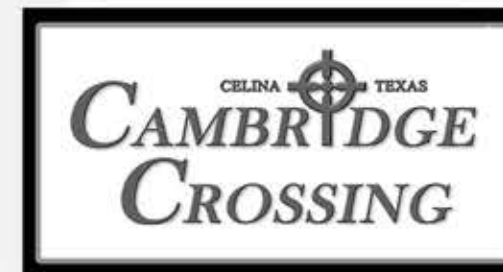
LAND USE LEGEND:

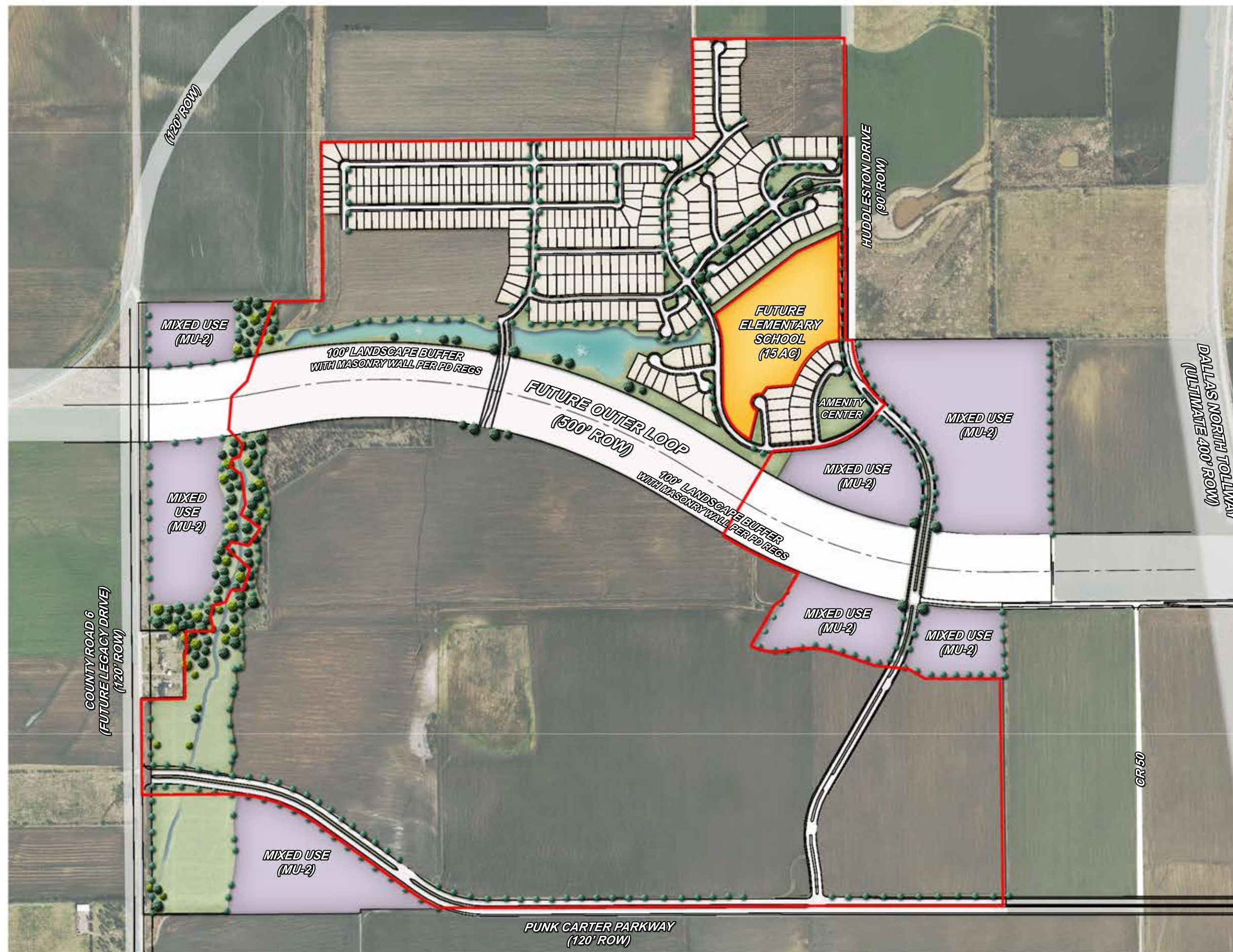
SF-R	SINGLE-FAMILY RESIDENCE
MU-2	MIXED USE
Yellow	FUTURE ELEMENTARY SCHOOL
Green	OPEN SPACE

— PID BOUNDARY

Overall

CONCEPT PLAN



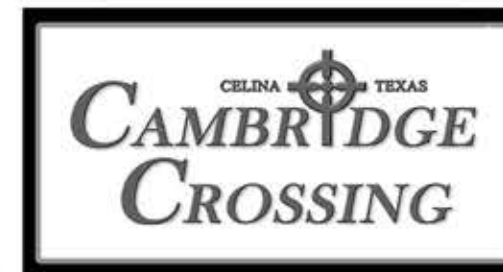


This is a conceptual layout and does not necessarily depict the project as it shall finally be developed.

— PID BOUNDARY

Phase One

CONCEPT PLAN



Cambridge
8750 N. Central Expressway
Ste. 1735
Dallas, TX 75231

ENGINEER/PLANNER
**DOWDEY, ANDERSON
& ASSOCIATES, INC.**
3225 Village Creek Drive, Suite 200 - Plano, Texas 75093
Phone 972.931.6004 Fax 972.931.9538

Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

CAMBRIDGE CROSSING PID ~ PHASE ONE COSTS

City of Celina, Collin County, Texas

Construction Plan Set: 04-18-2018

Total Lots: **330**Total Acres: **107.675**Prepared: **06/06/18**Revised: **_*****Opinion of Probable Cost Summary***

SUMMARY	TOTAL
MAJOR IMPROVEMENTS	
WATER ~ MAJOR IMPROVEMENTS	1,020,500.00
SANITARY SEWER ~ MAJOR IMPROVEMENTS	1,422,020.00
DRAINAGE ~ MAJOR IMPROVEMENTS	1,047,000.00
ROADWAY ~ MAJOR IMPROVEMENTS	7,252,339.00
CITY, PROFESSIONAL & MISC. FEES ~ MAJOR	364,333.00
TOTAL ~ MAJOR IMPROVEMENTS	11,106,192.00
DIRECT IMPROVEMENTS	
WATER ~ DIRECT	1,097,000.00
SANITARY SEWER ~ DIRECT	1,003,000.00
ROADWAYS ~ DIRECT	2,543,000.00
CITY, PROFESSIONAL & MISC. FEES ~ DIRECT	194,000.00
TOTAL ~ DIRECT IMPROVEMENTS	4,837,000.00
GRAND TOTAL	15,943,192.00

GENERAL NOTES:

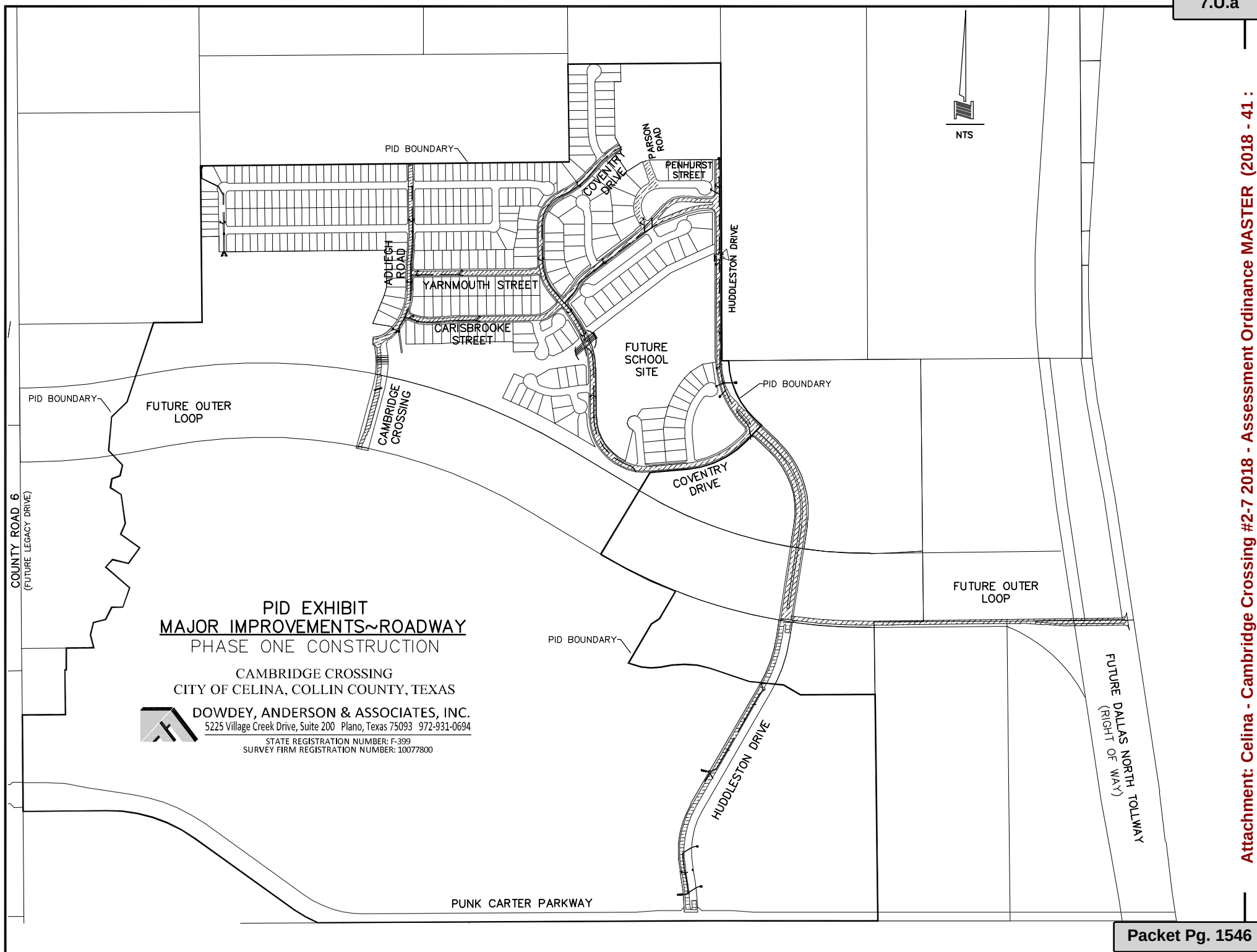
- UNIT PRICES ARE BASED ON SIMILAR PROJECTS BID IN 2015, HOWEVER SHOULD BE VERIFIED WITH A CONTRACTOR DUE TO THE VOLATILITY OF PRICES TODAY.

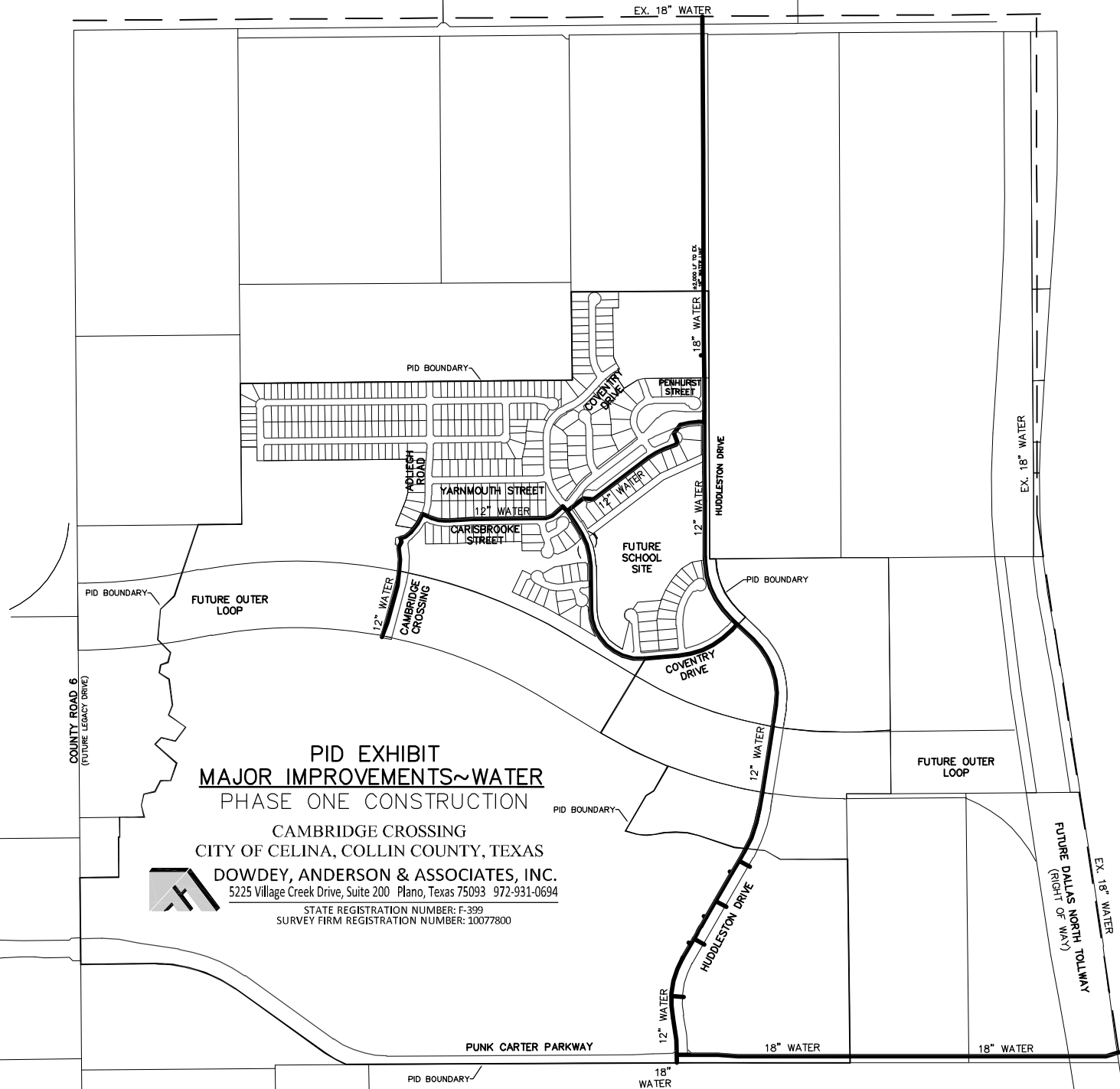
ESTIMATE EXCLUDES:

- FRANCHISE UTILITY RELOCATION AND/OR OFFSITE COSTS TO BRING SERVICE TO SITE
- ROCK EXCAVATION
- DEMOLITION OF EXISTING STRUCTURES
- REMOVAL OF EXISTING WATER WELLS OR SEPTIC SYSTEMS
- CORPS/WETLANDS MITIGATION
- EASEMENT ACQUISITION
- RIGHT-OF-WAY ACQUISITION FOR PERIMETER ROADS
- COST UNDERBRUSHING/PRUNING OF EXISTING TREES

Appendix C

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS



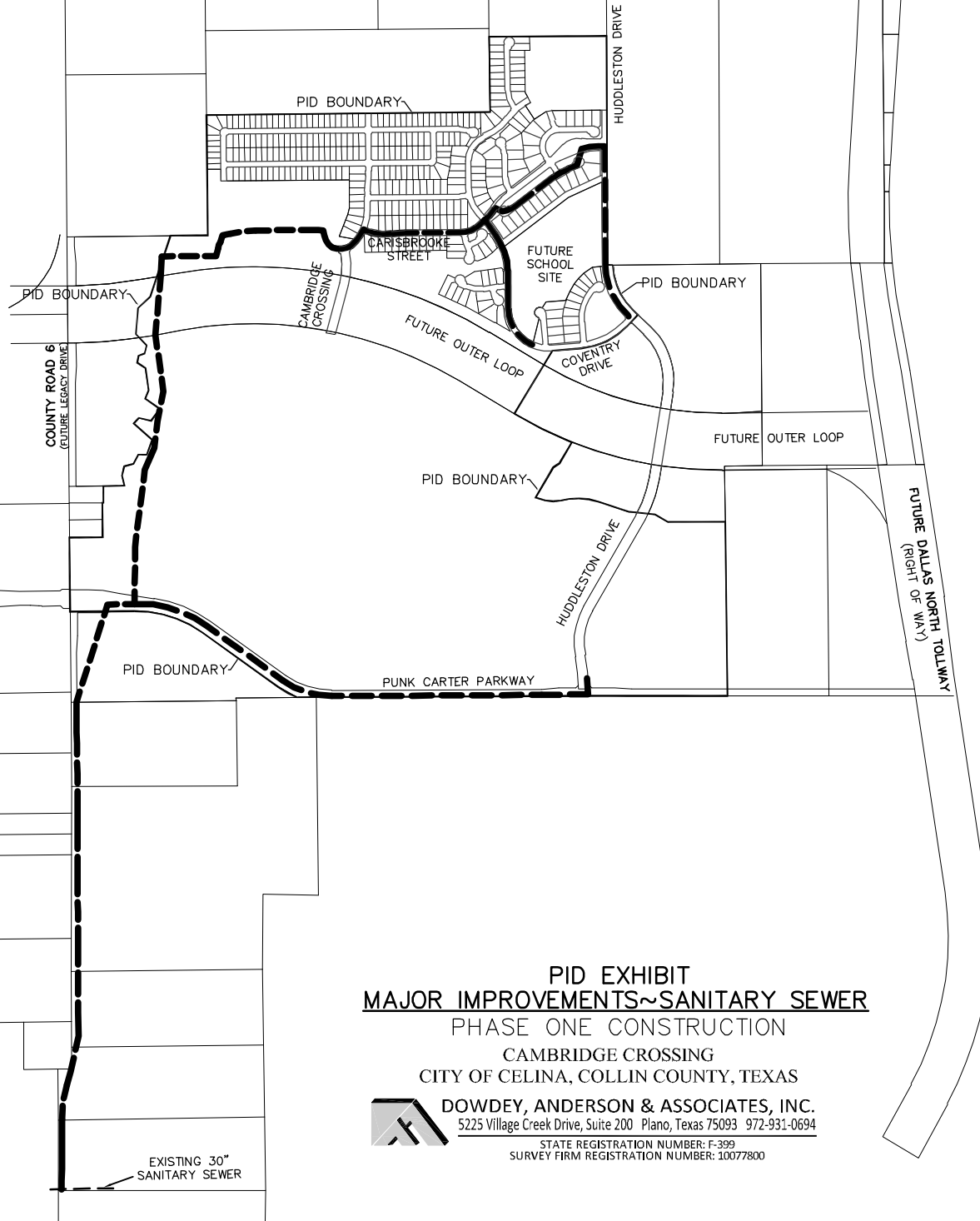


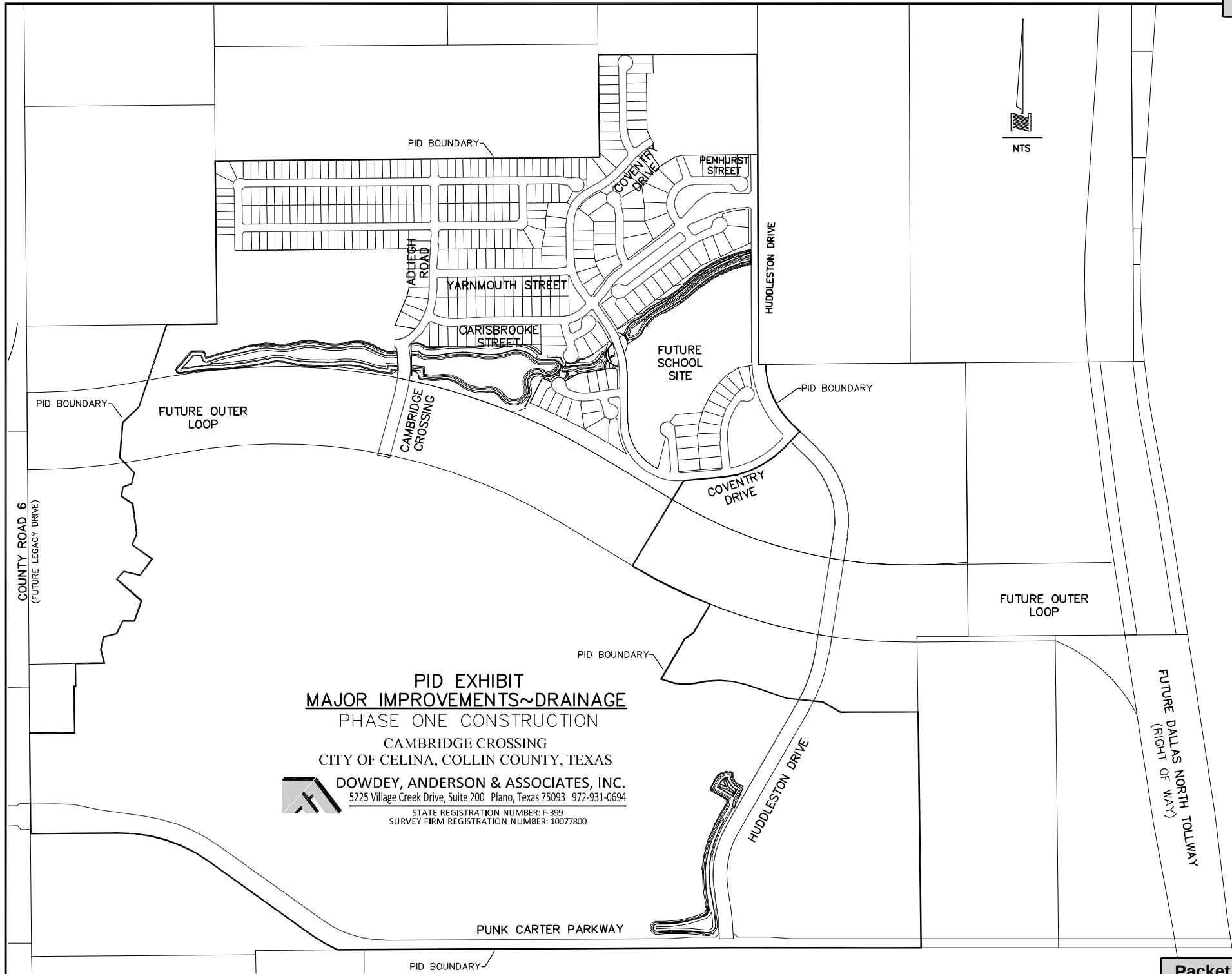


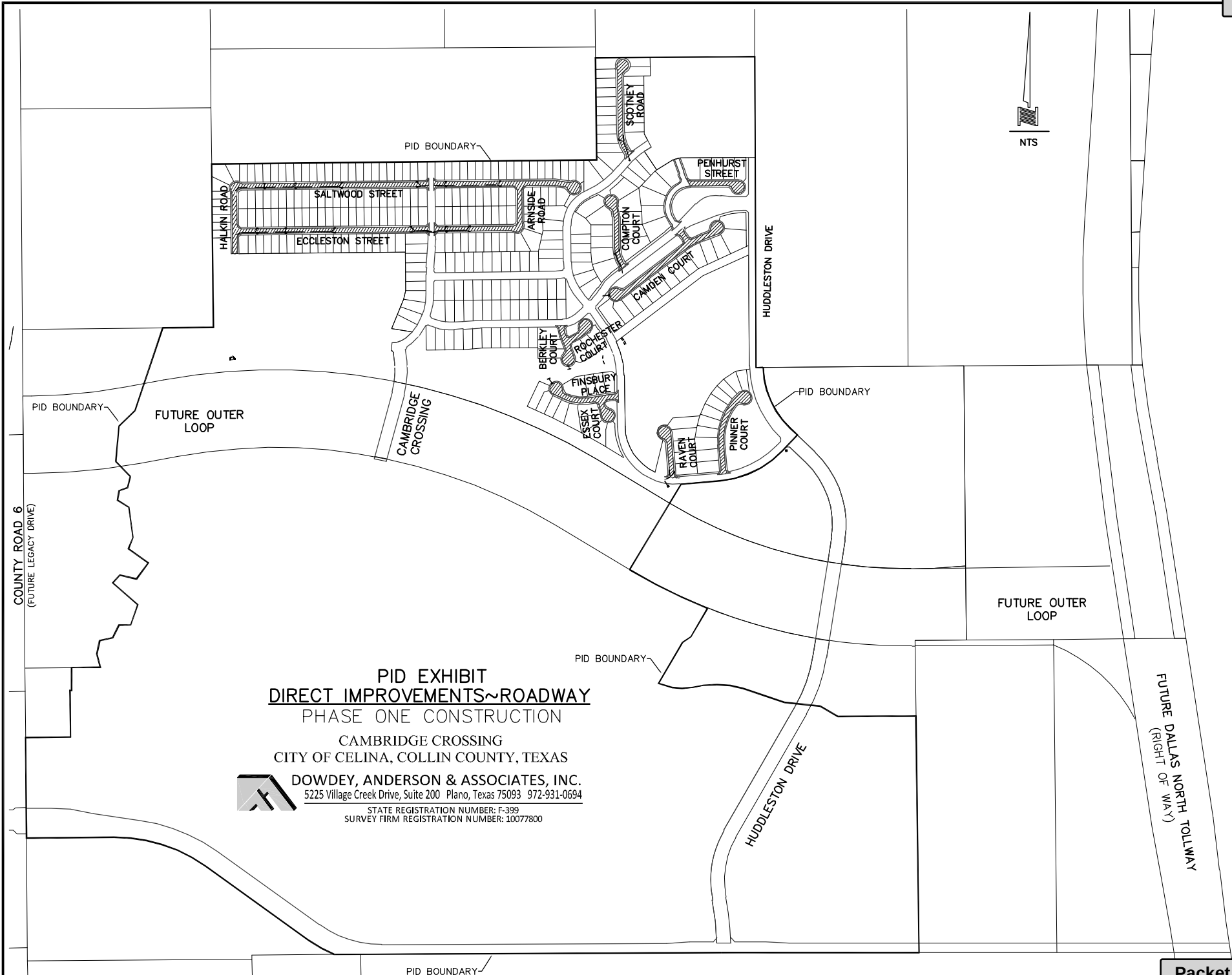
PID EXHIBIT
MAJOR IMPROVEMENTS~SANITARY SEWER
 PHASE ONE CONSTRUCTION
 CAMBRIDGE CROSSING
 CITY OF CELINA, COLLIN COUNTY, TEXAS

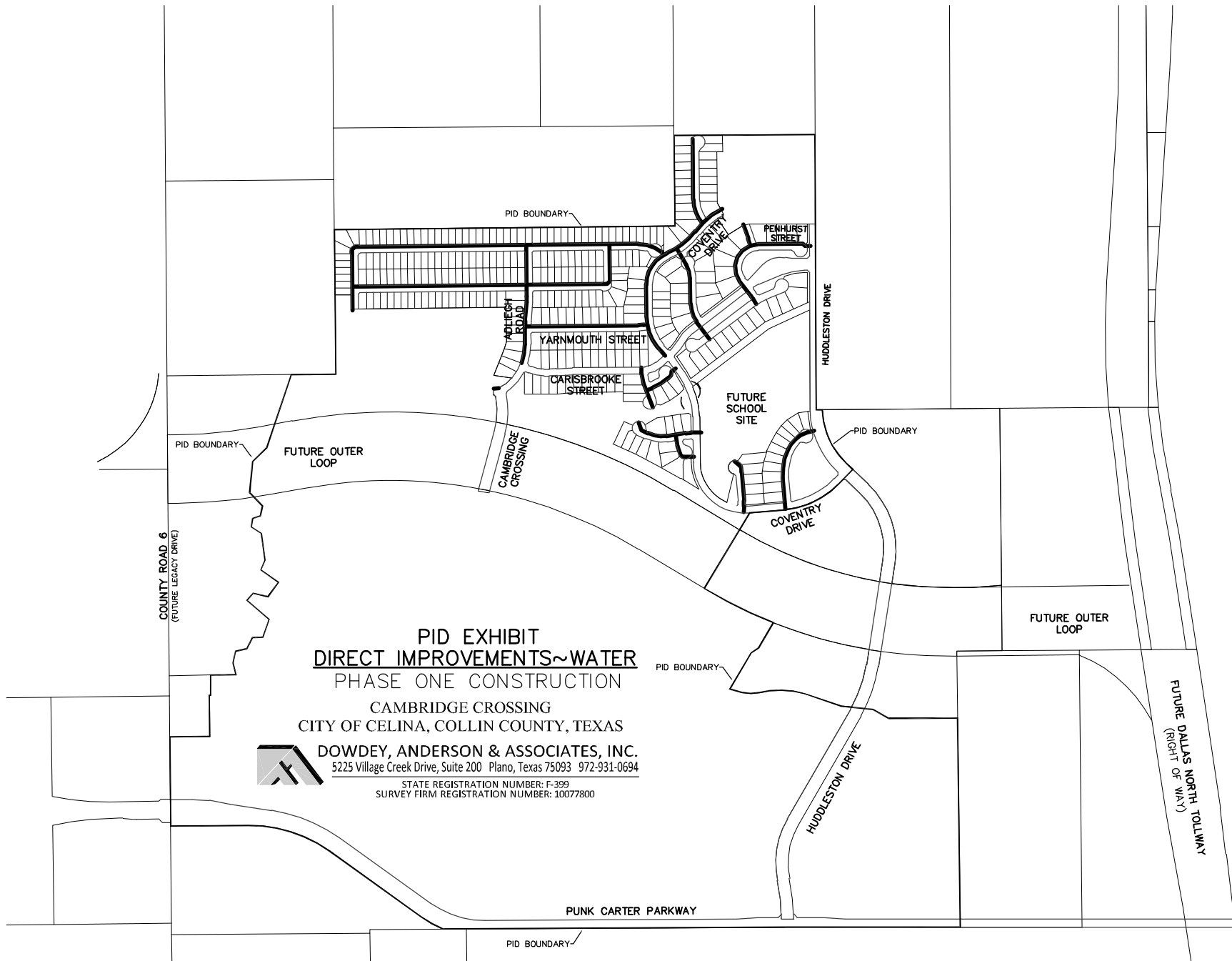


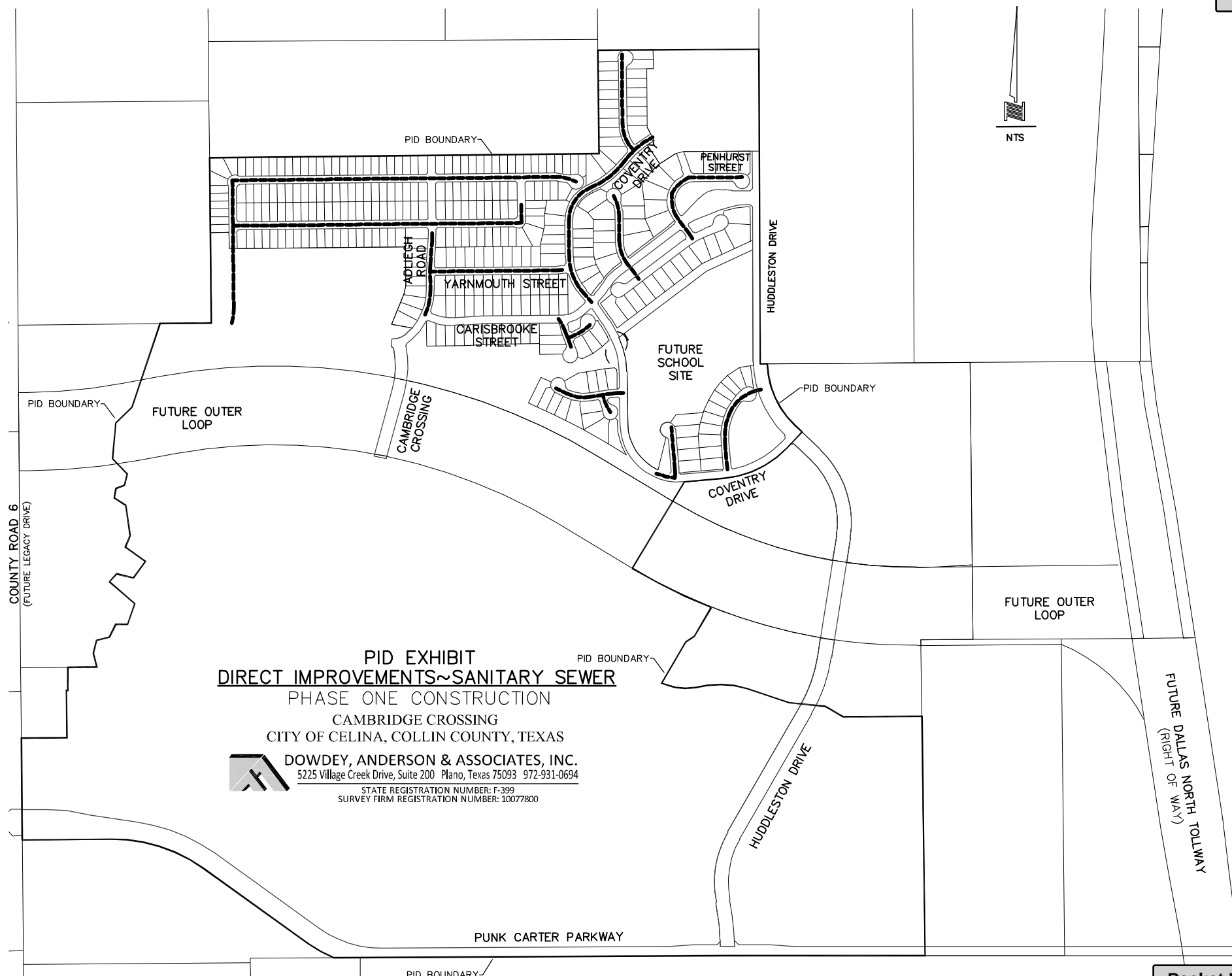
DOWDEY, ANDERSON & ASSOCIATES, INC.
 5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
 STATE REGISTRATION NUMBER: F-399
 SURVEY FIRM REGISTRATION NUMBER: 10077800



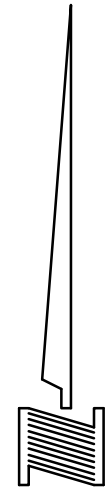
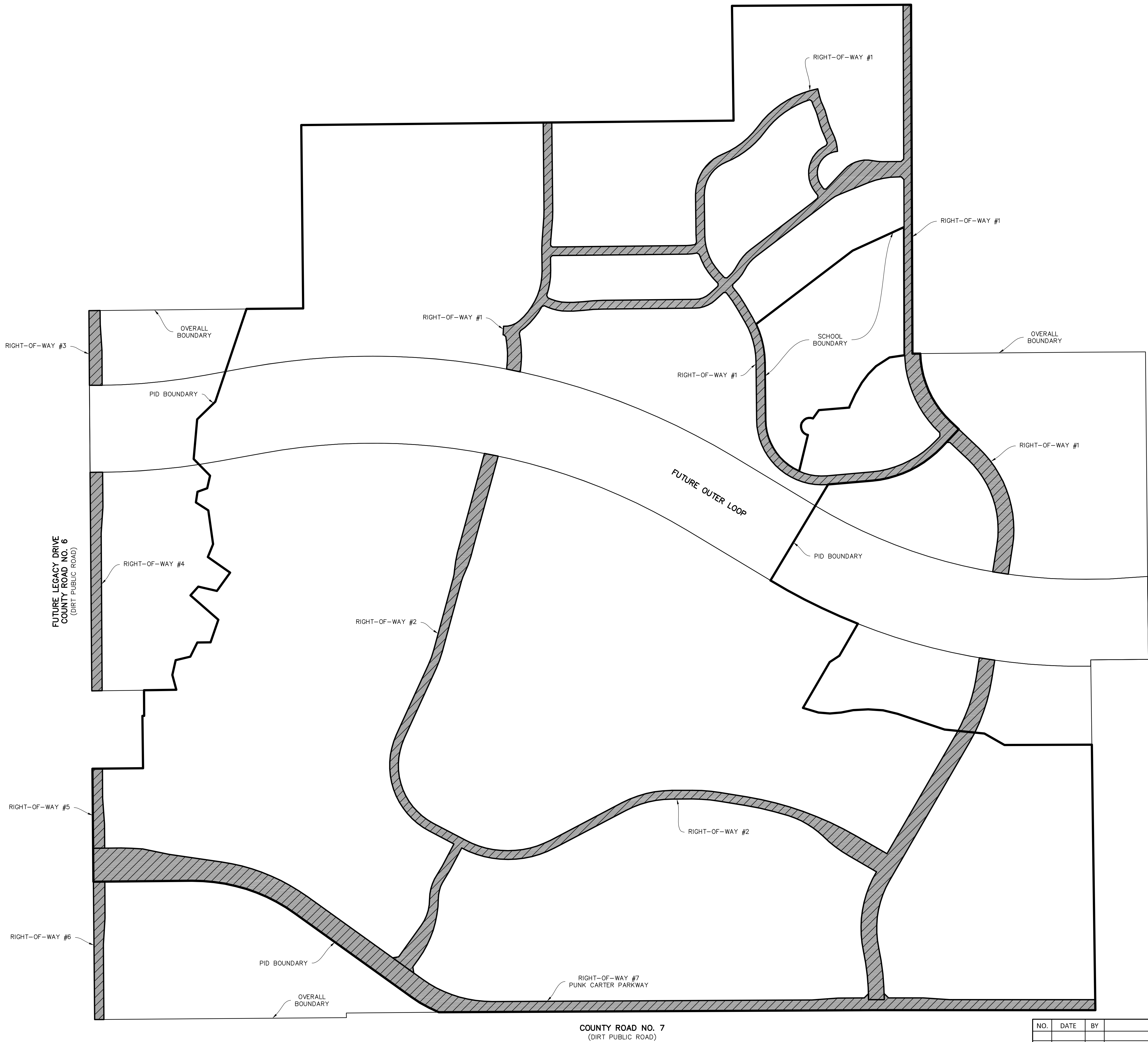






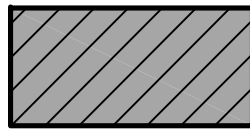


S:\PROJECTS C3D14037\dwg\PID\14037-EX-RIGHTS-OF-WAY-ACQUISITION.dwg, 4037EX-PID RIGHTS-OF-WAY, 6/18/2018 2:46:32 PM, mbshesher, Dowdey, Anderson & Associates, Inc., M.L.B



LEGEND

RIGHT-OF-WAY



RIGHTS-OF-WAY AREA TABLE	
NAME	NET AREA (ACRES/SQ.FT.)
RIGHT-OF-WAY #1	16.098 ACRES (701,240 SQ.FT.)
RIGHT-OF-WAY #2	12.504 ACRES (544,680 SQ.FT.)
RIGHT-OF-WAY #3	0.692 ACRES (30,131 SQ.FT.)
RIGHT-OF-WAY #4	1.818 ACRES (79,190 SQ.FT.)
RIGHT-OF-WAY #5	0.646 ACRES (28,146 SQ.FT.)
RIGHT-OF-WAY #6	1.043 ACRES (45,451 SQ.FT.)
RIGHT-OF-WAY #7	12.289 ACRES (535,292 SQ.FT.)
OVERALL TOTAL:	45.090 ACRES (1,964,130 SQ.FT.)

NOTE:

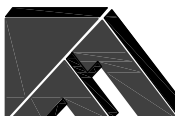
OF THE 45.090 ACRES OF ROW BEING ACQUIRED, 38.779 ACRES IS WITHIN THE PID AND 6.311 ACRES IS OUTSIDE THE PID.

NO.	DATE	BY	REVISION

PID MAJOR IMPROVEMENTS
ROW ACQUISITION

CAMBRIDGE CROSSING

CITY OF CELINA, COLLIN COUNTY, TEXAS

**DOWDEY, ANDERSON & ASSOCIATES, INC.**
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10027800

DESIGN	DRAWN	CHECKED	DATE	SCALE	JOB	SHEET
DAA	DAA	DAA	2018-06-18	N.T.S.	14037	1 / 1

Appendix D

LOT TYPES AND EQUIVALENT UNITS

Draft

Appendix D Lot Types and Equivalent Units

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

“Lot Type 1” means lots identified as such on the Assessment Roll, being lots typically with approximately 10,360 square feet size and a lot width of 74 feet, which may be referred to as such in the Zoning Ordinance.

“Lot Type 2” means lots identified as such on the Assessment Roll, being lots typically with approximately 7,800 square feet size and a lot width of 60 feet, which may be referred to as such in the Zoning Ordinance.

“Lot Type 3” means lots identified as such on the Assessment Roll, being lots typically with approximately 6,000 square feet size and a lot width of 50 feet, which may be referred to as such in the Zoning Ordinance.

The following table shows the proposed residential Lot Types within the PID.

**Table D-1
Proposed Development within the PID**

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	74 Ft Lots	152 units
Lot Type 2	60 Ft Lots	537 units
Lot Type 3	50 Ft Lots	839 units
Total		1,528 units

Table D-2 below shows the proposed residential Lot Types within Phase #1.

**Table D-2
Proposed Development – Phase #1**

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	74 Ft Lots	43 units
Lot Type 2	60 Ft Lots	122 units
Lot Type 3	50 Ft Lots	165 units
Total		330 units

Draft

Table D-3 below shows the proposed residential Lot Types within Phases #2 - 7.

Table D-3
Proposed Development – Phases #2 - 7

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	74 Ft Lots	109 units
Lot Type 2	60 Ft Lots	415 units
Lot Type 3	50 Ft Lots	674 units
Total		1,198 units

As explained under Section V-C, for purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Improvements to be financed with the Phases #1 Bonds shall be allocated to the Phases #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units and the Actual Costs of the Phases #2 - 7 share of the Major Improvements to be financed with the Phases #2 – 7 Major Improvement Bonds shall be allocated to the Phases #2 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Phases #1 Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 74 Ft, 60 Ft, 50 Ft etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications (from Lot Type 1 (74 Ft Lots) representing the highest value to Lot Type 3 (50 Ft Lot) representing the lowest value for residential lots are set forth in Table D-4 below. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (74 Ft Lots) to 1.0.

Draft

Table D-4
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor¹
Lot Type 1 (74 Ft Lot)	\$592,000	1.00 per dwelling unit
Lot Type 2 (60 Ft Lot)	\$480,000	0.81 per dwelling unit
Lot Type 3 (50 Ft Lot)	\$400,000	0.68 per dwelling unit

¹ – The Equivalent Unit Factors are rounded to two decimal places.

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

Table D-5
Estimated Equivalent Units - Phase #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (74 Ft Lot)	43	1.00	43.00
Lot Type 2 (60 Ft Lot)	122	0.81	98.82
Lot Type 3 (50 Ft Lot)	165	0.68	112.20
Total Equivalent Units	330		254.02

The total estimated Equivalent Units for Phases #2 - 7 are shown in Table D-6 below as calculated based on the Equivalent Unit factors shown above, estimated Lot Types and number of units estimated to be built within Phases #2 - 7.

Table D-6
Estimated Equivalent Units - Phases #2 - 7

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (74 Ft Lot)	109	1.00	109.00
Lot Type 2 (60 Ft Lot)	415	0.81	336.15
Lot Type 3 (50 Ft Lot)	674	0.68	458.32
Total Equivalent Units	1,198		903.47

Appendix E**ASSESSMENT ROLL –Phases #2-7 Major Improvement Assessed Property**

Appendix E
Phase #2 - 7 Major Improvement Assessment Roll

Parcel	All Parcels
Assessment	\$13,795,000
Total Estimated Equivalent Units	903.47

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment
1	\$0	\$862,188	\$35,000	\$897,188
2	\$0	\$862,188	\$35,700	\$897,888
3	\$200,000	\$862,188	\$36,414	\$1,098,602
4	\$215,000	\$849,688	\$37,142	\$1,101,830
5	\$225,000	\$836,250	\$37,885	\$1,099,135
6	\$240,000	\$822,188	\$38,643	\$1,100,830
7	\$255,000	\$807,188	\$39,416	\$1,101,603
8	\$270,000	\$791,250	\$40,204	\$1,101,454
9	\$285,000	\$774,375	\$41,008	\$1,100,383
10	\$305,000	\$756,563	\$41,828	\$1,103,391
11	\$320,000	\$737,500	\$42,665	\$1,100,165
12	\$340,000	\$717,500	\$43,518	\$1,101,018
13	\$360,000	\$696,250	\$44,388	\$1,100,638
14	\$380,000	\$673,750	\$45,276	\$1,099,026
15	\$405,000	\$650,000	\$46,182	\$1,101,182
16	\$430,000	\$624,688	\$47,105	\$1,101,793
17	\$455,000	\$597,813	\$48,047	\$1,100,860
18	\$480,000	\$569,375	\$49,008	\$1,098,383
19	\$510,000	\$539,375	\$49,989	\$1,099,364
20	\$540,000	\$507,500	\$50,988	\$1,098,488
21	\$575,000	\$473,750	\$52,008	\$1,100,758
22	\$610,000	\$437,813	\$53,048	\$1,100,861
23	\$645,000	\$399,688	\$54,109	\$1,098,797
24	\$685,000	\$359,375	\$55,191	\$1,099,566
25	\$725,000	\$316,563	\$56,295	\$1,097,858
26	\$770,000	\$271,250	\$57,421	\$1,098,671
27	\$815,000	\$223,125	\$58,570	\$1,096,695
28	\$865,000	\$172,188	\$59,741	\$1,096,929
29	\$915,000	\$118,125	\$60,936	\$1,094,061
30	\$975,000	\$60,938	\$62,155	\$1,098,092
Total	\$13,795,000	\$17,370,625	\$1,419,883	\$32,585,508

1 - The principal and interest amounts are estimated using 5.75% per annum and includes 0.5% Additional Interest.

2 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs and will be updated in Annual Service Plan Updates.

Phases #2 - 7 Major Improvements Projected Annual Installment per Equivalent Unit**Lot Type**

Lot Type 1 (74' Lot)

Assessment

\$15,269

Equivalent Units

1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment
1	\$0	\$954	\$39	\$993
2	\$0	\$954	\$40	\$994
3	\$221	\$954	\$40	\$1,216
4	\$238	\$940	\$41	\$1,220
5	\$249	\$926	\$42	\$1,217
6	\$266	\$910	\$43	\$1,218
7	\$282	\$893	\$44	\$1,219
8	\$299	\$876	\$44	\$1,219
9	\$315	\$857	\$45	\$1,218
10	\$338	\$837	\$46	\$1,221
11	\$354	\$816	\$47	\$1,218
12	\$376	\$794	\$48	\$1,219
13	\$398	\$771	\$49	\$1,218
14	\$421	\$746	\$50	\$1,216
15	\$448	\$719	\$51	\$1,219
16	\$476	\$691	\$52	\$1,220
17	\$504	\$662	\$53	\$1,218
18	\$531	\$630	\$54	\$1,216
19	\$564	\$597	\$55	\$1,217
20	\$598	\$562	\$56	\$1,216
21	\$636	\$524	\$58	\$1,218
22	\$675	\$485	\$59	\$1,218
23	\$714	\$442	\$60	\$1,216
24	\$758	\$398	\$61	\$1,217
25	\$802	\$350	\$62	\$1,215
26	\$852	\$300	\$64	\$1,216
27	\$902	\$247	\$65	\$1,214
28	\$957	\$191	\$66	\$1,214
29	\$1,013	\$131	\$67	\$1,211
30	\$1,079	\$67	\$69	\$1,215
Total	\$15,269	\$19,227	\$1,572	\$36,067

1 - The principal and interest amounts are estimated using 5.75% per annum and includes 0.5% Additional Interest.

2 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs and will be updated in Annual Service Plan Updates.

Appendix F
ASSESSMENT ROLL – Phase #1 Assessed Property

Appendix F
Phase #1 Proposed Assessment Roll

Parcel	All Parcels
Assessment	\$9,555,000
Total Estimated Equivalent Units	254.02

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment
1	\$0	\$573,300	\$35,000	\$608,300
2	\$0	\$573,300	\$35,700	\$609,000
3	\$140,000	\$573,300	\$36,414	\$749,714
4	\$150,000	\$564,900	\$37,142	\$752,042
5	\$155,000	\$555,900	\$37,885	\$748,785
6	\$165,000	\$546,600	\$38,643	\$750,243
7	\$175,000	\$536,700	\$39,416	\$751,116
8	\$185,000	\$526,200	\$40,204	\$751,404
9	\$200,000	\$515,100	\$41,008	\$756,108
10	\$210,000	\$503,100	\$41,828	\$754,928
11	\$220,000	\$490,500	\$42,665	\$753,165
12	\$235,000	\$477,300	\$43,518	\$755,818
13	\$250,000	\$463,200	\$44,388	\$757,588
14	\$265,000	\$448,200	\$45,276	\$758,476
15	\$280,000	\$432,300	\$46,182	\$758,482
16	\$295,000	\$415,500	\$47,105	\$757,605
17	\$315,000	\$397,800	\$48,047	\$760,847
18	\$335,000	\$378,900	\$49,008	\$762,908
19	\$355,000	\$358,800	\$49,989	\$763,789
20	\$375,000	\$337,500	\$50,988	\$763,488
21	\$400,000	\$315,000	\$52,008	\$767,008
22	\$420,000	\$291,000	\$53,048	\$764,048
23	\$445,000	\$265,800	\$54,109	\$764,909
24	\$475,000	\$239,100	\$55,191	\$769,291
25	\$500,000	\$210,600	\$56,295	\$766,895
26	\$535,000	\$180,600	\$57,421	\$773,021
27	\$565,000	\$148,500	\$58,570	\$772,070
28	\$600,000	\$114,600	\$59,741	\$774,341
29	\$635,000	\$78,600	\$60,936	\$774,536
30	\$675,000	\$40,500	\$62,155	\$777,655
Total	\$9,555,000	\$11,552,700	\$1,419,883	\$22,527,583

1 - The principal and interest amounts are estimated using 5.5% per annum and includes 0.5% Additional Interest.

2- The Administrative Expenses shown include the estimated PID administration and Assessment collection costs and will be updated in Annual Service Plan Updates.

Phase #1 Projected Annual Installment per Equivalent Unit

Lot Type	Lot Type 1 (74' Lot)
Assessment	\$37,615
Equivalent Units	1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment
1	\$0	\$2,257	\$138	\$2,395
2	\$0	\$2,257	\$141	\$2,397
3	\$551	\$2,257	\$143	\$2,951
4	\$591	\$2,224	\$146	\$2,961
5	\$610	\$2,188	\$149	\$2,948
6	\$650	\$2,152	\$152	\$2,953
7	\$689	\$2,113	\$155	\$2,957
8	\$728	\$2,071	\$158	\$2,958
9	\$787	\$2,028	\$161	\$2,977
10	\$827	\$1,981	\$165	\$2,972
11	\$866	\$1,931	\$168	\$2,965
12	\$925	\$1,879	\$171	\$2,975
13	\$984	\$1,823	\$175	\$2,982
14	\$1,043	\$1,764	\$178	\$2,986
15	\$1,102	\$1,702	\$182	\$2,986
16	\$1,161	\$1,636	\$185	\$2,982
17	\$1,240	\$1,566	\$189	\$2,995
18	\$1,319	\$1,492	\$193	\$3,003
19	\$1,398	\$1,412	\$197	\$3,007
20	\$1,476	\$1,329	\$201	\$3,006
21	\$1,575	\$1,240	\$205	\$3,019
22	\$1,653	\$1,146	\$209	\$3,008
23	\$1,752	\$1,046	\$213	\$3,011
24	\$1,870	\$941	\$217	\$3,028
25	\$1,968	\$829	\$222	\$3,019
26	\$2,106	\$711	\$226	\$3,043
27	\$2,224	\$585	\$231	\$3,039
28	\$2,362	\$451	\$235	\$3,048
29	\$2,500	\$309	\$240	\$3,049
30	\$2,657	\$159	\$245	\$3,061
Total	\$37,615	\$45,479	\$5,590	\$88,684

1 - The principal and interest amounts are estimated using 5.5% per annum and includes 0.5% Additional Interest.

2- The Administrative Expenses shown include the estimated PID administration and Assessment collection costs and will be updated in Annual Service Plan Updates.



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: Sutton Fields PID Public Hearing Notice & CDR/SAP approval

Action Requested:

Consider and act upon a resolution of the City of Celina, Texas determining the costs of certain public improvements to be financed by the Sutton Fields Public Improvement District; approving a preliminary service plan and assessment plan, including proposed assessment rolls; directing the filing of the proposed assessment rolls with the City Secretary to make available for public inspection; noticing a public hearing for August 28, 2018 to consider an ordinance levying assessments on property located within the Cambridge Crossing Public Improvement District; directing city staff to publish and mail notice of said public hearing. (Sutton Fields PID CDR & SAP approval) (DeBuff)

Background Information:

Resolution determining the costs of the public improvements to be financed by Public Improvement District (PID) Bonds for Sutton Fields II, and updating the Service and Assessment Plans for that District.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Resolution
- Updated Service & Assessment Plan

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF CELINA, TEXAS DETERMINING THE COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #2 IMPROVEMENTS TO BE FINANCED BY THE SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT; APPROVING AN UPDATED PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #2 ASSESSMENT ROLL; CALLING A SPECIAL MEETING AND NOTICING A PUBLIC HEARING FOR AUGUST 28, 2018 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #2 ASSESSMENT ROLL WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

RECITALS

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

WHEREAS, on October 13, 2015 the City Council conducted a public hearing to consider a petition received by the City on September 3, 2015 titled “Petition for the Creation of a Public Improvement District Within the City of Celina, Texas, for the Sutton Fields II Public Improvement District” requesting the creation of a public improvement district; and

WHEREAS, on October 13, 2015, the City Council approved Resolution No. 2015-51R (the “Authorization Resolution”), authorizing, establishing and creating the Sutton Fields II Public Improvement District (the “District”); and

WHEREAS, the City authorized the creation of the District and the issuance of up to \$85,000,000.00 in bonds for the District to finance certain public improvements authorized by the Act for the benefit of the property within the District (the “Authorized Improvements”); and

WHEREAS, on November 10, 2015, the City Council adopted Ordinance No. 2015-54, which approved the District Service and Assessment Plan dated November 10, 2015 (the “SAP”); and

WHEREAS, in addition to approving the SAP, Ordinance No. 2015-54 levied assessments against property within the District; and

WHEREAS, the property within the District is being developed in phases, the second phase of which includes approximately [REDACTED] acres (“Neighborhood Improvement Area #2”); and

WHEREAS, the City desires to amend the SAP to reflect the Neighborhood Improvement Area #2 Improvements (as defined in the Preliminary Amended SAP referenced below) and the construction of and development of Neighborhood Improvement Area #2 of the District; and

WHEREAS, the anticipated levy and assessment amount for the Neighborhood Improvement Area #2 Improvements is approximately \$ [REDACTED], as referenced in Table **V-F** of the Preliminary Amended SAP; and

WHEREAS, the City Council and the City staff have been presented an “Amended Sutton Fields II Public Improvement District Preliminary Service and Assessment Plan” dated August 14, 2018 (the “Preliminary Amended SAP”), including the proposed assessment roll attached thereto as Appendix **E** (the “Proposed Neighborhood Improvement Area #2 Assessment Roll”), a copy of the Preliminary Amended SAP is attached hereto as **Exhibit A** and is incorporated herein for all purposes; and

WHEREAS, the Preliminary Amended SAP sets forth the estimated total costs of the Neighborhood Improvement Area #2 Improvements to be financed by the District for the second phase of development and the Proposed Neighborhood Improvement Area #2 Assessment Roll states the assessments proposed to be levied against each parcel of land in Neighborhood Improvement Area #2 of the District as determined by the method of assessment chosen by the City; and

WHEREAS, the Act requires that the Proposed Neighborhood Improvement Area #2 Assessment Roll be filed with the City Secretary of the City (the “City Secretary”) and be subject to public inspection; and

WHEREAS, the Act requires that a public hearing (the “Assessment Hearing”) be called to consider the Preliminary Amended SAP and proposed Neighborhood Improvement Area #2 assessments and requires the City Council to hear and pass on any objections to the Preliminary Amended SAP and proposed Neighborhood Improvement Area #2 assessments at, or on the adjournment of, the Assessment Hearing; and

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

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

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

SECTION 2. THAT the City Council does hereby accept the Preliminary Amended SAP for the District, including the Proposed Neighborhood Improvement Area #2 Assessment Roll. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Preliminary Amended SAP.

SECTION 3. THAT the City Council hereby determines that the total costs of the Neighborhood Improvement Area #2 Improvements to be financed by the District are as set forth in **Table III-D** of the Preliminary Amended SAP, which costs include the payment of expenses incurred in the administration of the District or related to the issuance of any bonds.

SECTION 4. THAT the City Council’s final determination and approval of the costs of the Neighborhood Improvement Area #2 Improvements shall be subject to and contingent upon City

Council approval of a final Amended SAP which will include final Neighborhood Improvement Area #2 Assessment Roll, after the properly noticed and held Assessment Hearing.

SECTION 5. THAT the Proposed Neighborhood Improvement Area #2 Assessment Roll states the assessment proposed to be levied against each parcel of land in Neighborhood Improvement Area #2 of the District as determined by the method of assessment chosen by the City in the Authorization Resolution and as more fully described in the Preliminary Amended SAP.

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

SECTION 7. THAT the City Council hereby authorizes and directs the filing of the Proposed Neighborhood Improvement Area #2 Assessment Roll with the City Secretary and the same shall be available for public inspection.

SECTION 8. THAT the City Council hereby authorizes, and calls, a meeting and a public hearing (the Assessment Hearing as defined above) to be held on **August 28, 2018 at 5:00 p.m.** at *Celina City Council Chambers, 112 N. Colorado St., Celina, Texas 75009*, at which the City Council shall, among other actions, hear and pass on any objections to the proposed assessments; and, upon the adjournment of the Assessment Hearing, the City Council will consider an ordinance levying the assessments as special assessments on Neighborhood Improvement Area #2 within the District (which ordinance shall specify the method of payment of the assessments).

SECTION 9. THAT the City Council hereby authorizes and directs the City Secretary to publish notice of the Assessment Hearing to be held on *August 28, 2018*, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes, in a newspaper of general circulation in the City, on or before March 2, 2018 as required by Section 372.016(b) of the Act.

SECTION 10. THAT when the Proposed Neighborhood Improvement Area #2 Assessment Roll is filed with the City Secretary, the City Council hereby authorizes and directs the City

Secretary to mail to owners of property liable for assessment notice of the Assessment Hearing to be held on *August 28, 2018*, on or before August 17, 2018, as required by Section 372.016(c) of the Act.

SECTION 11. THAT City staff is authorized and directed to take such other actions as are required (including, but not limited to, notice of the public hearing as required by the Texas Open Meetings Act) to place the public hearing on the agenda for the *August 28, 2018* meeting of the City Council.

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

PASSED AND APPROVED on this the 14th day of August, 2018.

ATTEST:

Chad Anderson, Mayor Pro-Tem

Vicki Faulkner, City Secretary

EXHIBIT A

AMENDED PRELIMINARY SERVICE AND ASSESSMENT PLAN

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 **August 28, 2018 at 5:00 p.m.** at *Celina City Council Chambers, 112 N. Colorado St., Celina, Texas 75009*. The public hearing will be held to consider proposed assessments to be levied against the assessable property within the Sutton Fields II Public Improvement District (the “District”) pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the “Act”).

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

The total costs of the Neighborhood Improvement Area #2 Improvements that is proposed to be assessed against property within Neighborhood Improvement Area #2 of the District, including the costs of creating the District is \$ [REDACTED]. The total costs of Authorized Improvements to benefit future phases within the District cannot be determined with certainty at this time, but shall not exceed an additional \$ [REDACTED].

The boundaries of the District include approximately 622.779 acres of land generally located north of Parvin Road, east of FM 1385, south of FM 428, located within the City. The boundaries of Neighborhood Improvement Area #2 of the District include approximately [REDACTED] acres of land within the District, as more particularly described by a metes and bounds description is available at Celina City Hall and available for public inspection.

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

A copy of the Neighborhood Improvement Area #2 Assessment Roll relating to the Neighborhood Improvement Area #2 Improvements, which Neighborhood Improvement Area #2 Assessment Roll includes the assessments to be levied against each parcel within Neighborhood Improvement Area #2 of the District for the Neighborhood Improvement Area #2 Improvements, is available for public inspection at the office of the City Secretary, 142 N. Ohio Drive, Celina, Texas 75009.



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: Interlocal with EDC

Action Requested:

Consider and act to authorize the City Manager to execute an interlocal agreement by and between the City of Celina and the Celina Economic Development Corporation for the creation of and funding for various positions. (Laumer)

Background Information:

This agreement moves the Gigabit Director for the Celina Economic Development Corporation (CEDC) to the position of Chief Technology Officer for the City, and moves the CEDC Executive Director into the position of Director of Government Affairs for the City.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Interlocal Agreement

Staff Recommendation:

Staff recommends approval.

CELINA ECONOMIC DEVELOPMENT CORPORATION AND CITY OF CELINA EMPLOYMENT SERVICES INTERLOCAL AGREEMENT

This Agreement (hereinafter referred to as the "Agreement"), is made and entered into by and between the Celina Economic Development Corporation (hereinafter referred to as the "CEDC") and the City of Celina, Texas (hereinafter referred to as the "City"), jointly referred to herein as the "Parties."

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 and operating pursuant to the enabling legislation of the State of Texas and the City of Celina Charter; and

WHEREAS, the CEDC was incorporated pursuant to the Development Corporation Act, Chapters 501-507 of the Texas Local Government Code, as amended; and

WHEREAS, the City and CEDC have mutual interests in the economic development of the City; and

WHEREAS, the CEDC is authorized to utilize funds for promotional expenditures; and

WHEREAS, the CEDC and the City have determined that the transfer the current CEDC Director to the position of Director of Governmental Affairs as an employee of the City will further the public interest and maximize efficient provision of professional services which further the economic development and promotional goals of the Parties; and

WHEREAS, the CEDC and the City have determined that the transfer of the current Gigabit Director at the CEDC to the position of Chief Technology Officer as an employee of the City will further the public interest and maximize efficient provision of professional services which further the economic development and promotional goals of the Parties.

FOR AND IN CONSIDERATION of the mutual covenants, agreements, and benefits accruing herein to each party, the City and CEDC hereby agree as follows:

Section 1. City Obligations.

In consideration of the CEDC's obligations, the City agrees that upon execution of this Agreement by both Parties:

- (a) The City shall create the position of Director of Governmental Affairs and fill said position with the current Director of the CEDC.
- (b) The City shall create the position of Chief Technology Officer and fill said position with the Gigabit Director, currently employed by the CEDC.

(c) The above-referenced positions shall be incorporated into the City's personnel structure and shall report to the City Manager. No supervisory or other authority related to these positions shall be exercised by the CEDC. However, the Parties agree to cooperate in defining goals and objectives for these positions which further the economic development and promotion of the City.

Section 2. CEDC Obligations.

In consideration of the City's obligations, the CEDC agrees to provide the following;

(a) The Parties mutually agree that the annual salary of the Director of Governmental Affairs will be \$123,500.00 with additional benefits that are set forth in a professional services agreement between the Director of Governmental Affairs and the City.

(b) For year one (1) of the initial term of the above-referenced professional services agreement the CEDC shall reimburse the City for the salary portion of the Director of Governmental Affairs' compensation. The City shall provide a quarterly statement for such salary cost, which the CEDC agrees to pay within thirty (30) days of receipt.

Section 3. Miscellaneous Provisions.

(a) This Agreement has been duly and properly approved by each party's governing body and constitutes a binding obligation on each party;

(b) This Agreement embodies the entire agreement between the parties and may only be modified in writing executed by both parties.

(c) The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included. However, if Section 2 (b) is declared unlawful, this Agreement will be null and void.

(d) This Agreement shall be construed in accordance with the laws of the State of Texas and venue for all purposes hereunder shall be in Collin County, Texas.

Section 4. Indemnification.

THE CEDC AGREES TO INDEMINIFY, PROTECT, DEFEND, SAVE, AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, SUCCESSORS, AND ASSIGNS (COLLECTIVELY CALLED THE "INDEMNITEES"), FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, LIENS, FINES, CAUSES OF ACTION, SUITS, JUDGEMENTS, AND EXPENSES, INCLUDING ATTORNEY'S FEES, OR ANY NATURE, KIND, OR DESCRIPTION BY ANY PERSON OR ENTITY, DIRECTLY OR INDIRECTLY, ARISING OUT OF, CAUSED BY, OR RESULTING FROM (IN WHOLE OR IN PART) THE ACTIONS, REPRESENTATIONS, OR OMISSIONS OF THE CEDC, ITS

DIRECTORS, AGENTS, REPRESENTATIVES, EMPLOYEES, SUCCESSORS, AND ASSIGNS (COLLECTIVELY CALLED THE "LIABILITIES"). IF ANY CLAIM BE MADE, OR ANY ACTION OR PROCEEDING IS BROUGHT BY OR AGAINST ANY INDEMNITEE IN CONNECTION WITH ANY SUCH LIABILITIES, THE CITY SHALL NOTIFY THE CEDC AND THE CEDC SHALL DEFEND SUCH CLAIM, ACTION, OR PROCEEDING. TO BE PAID SOLELY FROM SALES TAX RESERVED FOR THE CEDC OR INSURANCE POLICIES OF THE CEDC. THIS INDEMNITY SHALL NOT BE LIMITED TO DAMAGES, COMPENSATION, DISABILITY BENEFIT ACTS, OR OTHER EMPLOYEE BENEFIT ACTS. THIS PROVISION SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

Section 5. Notice.

All notices shall be in writing. If mailed any notice shall be deemed to be received three (3) days after the date of deposit in United States mail, first-class, postage prepaid. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

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

Celina Economic Development Corporation
Attn: Kyle Rose, President
302 W. Walnut
Celina, Texas 75009

Either party may designate a different address by giving the other parties at least ten (10) days written notice in the manner prescribed above.

Section 6. Parties in Interest.

This Agreement shall be for the sole and exclusive benefit of the City and the CEDC and shall not be construed to confer any benefit or right upon any other parties.

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of the City of Celina, Texas, and the Celina Economic Development Corporation as of the _____ day of _____, 2018.

ATTEST:

Vicki Faulkner, City Secretary

CITY OF CELINA, TEXAS

Sean Terry, Mayor

ATTEST:

_____, Secretary
Board of Directors

CELINA ECONOMIC DEVELOPMENT CORPORATION

_____, President
Board of Directors



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Paul DeBuff, Assistant to the City Manager
 CC: Jason Laumer, City Manager
 Date: August 14, 2018
 Re: Cambridge Crossing Ph #2-7 Bond Ordinance

Action Requested:

Consider and act upon an ordinance approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #2-7 Project); and approving and authorizing related agreements. (DeBuff)

Background Information:

Celina City Council authorized the establishment of the Cambridge Crossing PID on February 28, 2017, with authorization of up to \$80,000,000 in bonds for the District to finance certain public improvements to benefit the property in the District. Council approved the determination of costs resolution for Phase I on July 10, 2018.

This ordinance approves the issuance and sale of PID Bonds for Cambridge Crossing, Phases #2-7.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Ordinance

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. 2018-__**AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PHASES #2-7 MAJOR IMPROVEMENT 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 "Cambridge Crossing Public Improvement District" (the "District"), pursuant to Resolution No. 2017-10R adopted by the City Council of the City (the "City Council") on February 28, 2017; and

WHEREAS, pursuant to the PID Act, the City Council published notice of and convened a public hearing on August 14, 2018 regarding the levy of assessments against benefitted property located in Phases #2-7 of the District and after hearing testimony at such public hearing, the City Council closed the public hearing and adopted Ordinance No. 2018-__ (the "Phases #2-7 Assessment Ordinance") on August 14, 2018; and

WHEREAS, in the Phases #2-7 Assessment Ordinance, the City Council approved and accepted the Cambridge Crossing Public Improvement District Service and Assessment Plan, dated August 14, 2018 (the "Service and Assessment Plan") relating to the District and levied the "Phases #2-7 Major Improvement Assessments" (as defined in the Phases #2-7 Assessment Ordinance) against "Phases #2-7 Major Improvement Assessed Property" (as defined in the Service and Assessment Plan) as shown on the "Phases #2-7 Major Improvement Assessment Roll" (as defined and described in the Service and Assessment Plan). 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 Phases #2-7 Major Improvement Assessments and other revenues received for the purposes of (i) paying a portion of the Actual Costs of the Phases #2-7 Major Improvements, as defined in the Indenture (defined herein), (ii) paying a portion of the interest on the Bonds (defined herein) during and after the period of acquisition and construction of the Phases #2-7 Major 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 issuing the Bonds; and

WHEREAS, the City Council hereby finds and determines that it is in the best interests of the City to issue its bonds to be designated "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement Project)" (the "Bonds"), such series to be payable from and secured by the Pledged Revenues, as defined in the Indenture (defined herein); and

WHEREAS, the City Council hereby finds and determines to (i) approve the issuance of the Bonds to finance a portion of the costs of the Phases #2-7 Major Improvements, (ii) approve the form, terms and provisions of an indenture of trust 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 a Preliminary Limited Offering

Memorandum and Limited Offering Memorandum (defined below) and (v) approve the form, terms and provisions of a Continuing Disclosure Agreement (defined below).

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 Phases #2-7 Major Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phases #2-7 Major 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 issuing the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of August 1, 2018, between the City and U.S. Bank National Association, as trustee (the "Trustee"), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the City Manager, the City's land use attorney and the City's bond counsel, such approval to be evidenced by the execution and delivery of the Indenture by the Mayor of the City, 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. The Mayor 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.

(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" (as defined in the Indenture) pledged to such series, and shall never be payable from ad valorem taxes.

SECTION 2. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the "Underwriter") under that certain Bond Purchase Agreement (the "Bond Purchase Agreement"), dated the date hereof, between the City and the Underwriter, substantially in the form attached hereto as **Exhibit B** which is incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interests of the City at the price and on the terms and provisions set forth in the Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the City Manager, the City's land use attorney, and the City's bond counsel, such approval to be evidenced by the execution and delivery of the Bond Purchase Agreement by the Mayor of the City. The Mayor 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 Mayor is hereby authorized and directed to execute such Limited Offering Memorandum with such changes and alterations therein as the Mayor may approve, such approval to be conclusively evidenced by such execution thereof. The Limited Offering Memorandum as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor 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 execution, approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Mayor, this City Council, including the Mayor, 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 therein) or their financial ability, any builders, any landowners, or the appraisal of the property in the District.

SECTION 4. Continuing Disclosure Agreement. That certain Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc. (the "Dissemination Agent") 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 Mayor 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 Mayor, such approval to be evidenced by the execution thereof.

SECTION 5. Redemption Agreement. That certain agreement titled "Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Cambridge Crossing PID" (the "Redemption Agreement") between the City and the Developer is hereby authorized hereby authorized and approved in substantially the form attached hereto as **Exhibit D** which are incorporated herein as a part hereof for all purposes and the Mayor is hereby authorized and directed to execute and deliver such Redemption Agreement with such changes as may be required to carry out the purpose of this Ordinance and as approved by the Mayor, such approval to be evidenced by the execution thereof. The Mayor's signature on the Redemption Agreement may be attested by the City Secretary.

SECTION 6. Additional Actions. The Mayor, Mayor Pro Tem, the City Manager, the Director of Finance, and the City Secretary are 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 Director of Finance, and the City Secretary are 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.

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 August 14, 2018.

CITY OF CELINA, TEXAS

Sean Terry, Mayor

ATTEST:

City Secretary

(City Seal)

Attachment: Celina - Cambridge Crossing #2-7 MIA 2018 - Bond Ordinance - MASTER (2018 - 45 : Cambridge Crossing Ph #2-7 Bond

EXHIBIT A
INDENTURE OF TRUST

INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED AS OF AUGUST 1, 2018

SECURING

\$XXXXXXX
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASES #2-7 MAJOR IMPROVEMENT PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of August 1, 2018 is by and between the CITY OF CELINA, TEXAS (the “City”), and U.S. BANK NATIONAL ASSOCIATION, 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 City to be known as Cambridge Crossing 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 February 14, 2017, after due notice, the City Council of the City (the “City Council”) opened a public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Sec. 372.009 of the PID Act and continued the public hearing on February 28, 2017, the City Council made the findings required by Sec. 372.009(b) of the PID Act and, by Resolution No. 2017-10R, 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 March 3, 2017, 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 March 3, 2017; and

WHEREAS, on July 10, 2018, the City Council by Resolution 2018-25R made findings and determinations relating to the Costs of certain Authorized Improvements, received and accepted a preliminary service and assessment plan and proposed assessment roll, called a public hearing for August 14, 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 as required by Section 372.016(b) of the PID Act relating to the August 14, 2018 hearing; and

WHEREAS, on July 26, 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 “Assessment Roll” and the “Service and Assessment Plan” and the levy of the “Assessments” on property in 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 Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the hearing on August 14, 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 Assessment Roll and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessment, the allocation of Actual Costs, the purposes of the Assessment, the special benefits of the Assessment, and the penalties and interest on annual installments and on delinquent annual installments of the Assessment, 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, the Assessment Roll, and the levy of the 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

WHEREAS, on August 14, 2018, the City approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance and therein levied the Assessments; and

WHEREAS, the City Council hereby finds and determines that the Assessment Roll and the Service and Assessment Plan should be approved and that the Assessments should be levied as provided in the Service and Assessment Plan and the Assessment Roll; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the Phases #2-7 Major Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phases #2-7 Major 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, such bonds to be entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement 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, 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 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 Assessments have been prepaid, the lien on real property associated with such Assessment prepayment shall be released from the Trust Estate and shall no longer constitute a part of the Trust Estate;

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 Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (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. 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 charged on the 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 and established by Section 6.7 of this Indenture.

"Additional Interest Reserve Requirement" means an amount equal to 5.5% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues deposited to the Pledged Revenue Fund.

“Additional Obligations” means any bonds (including Phased PID 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 Assessments securing the Bonds, levied against property within the District in accordance with the PID Act.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs 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,

Indenture of Trust
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levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"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.

"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 Phases #2-7 Major Improvement Assessed Parcel, each annual payment of the Assessments as shown on the Assessment Roll attached to the Service and Assessment Plan as Appendix A and related to the Phases #2-7 Major Improvements; which annual payment includes Additional Interest Rate collected on each annual payment of the Assessments for the Additional Interest Reserve Account 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.

"Assessments" means the aggregate assessments shown on the Assessment Roll. The singular of such term means the assessment levied against a Phases #2-7 Major Improvement Assessed Parcel, as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Phases #2-7 Major Improvement Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

"Assessment Ordinance" means Ordinance No. 2018-__ adopted by the City Council on August 14, 2018, that levied the Assessments on the Phases #2-7 Major Improvement Assessed Parcels.

"Assessment Revenue" means monies collected by or on behalf of the City from any one or more of the following: (i) an Assessment levied against a Phases #2-7 Major Improvement

Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

“Assessment Roll” means the Assessment Roll attached as Exhibit E 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 Assessment against each Phases #2-7 Major Improvement Assessed Parcel related to the Bonds and the Phases #2-7 Major 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 \$100,000 and any integral multiple of \$5,000 in excess thereof, provided, however, that if the total principal amount of the Outstanding Bonds is less than \$100,000 then the Authorized Denomination shall be the amount of the Outstanding Bonds.

“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 for which Assessments are levied against a Phases #2-7 Major Improvement 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 Phases #2-7 Major Improvement Assessed Parcels.

“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. 2018-___ adopted by the City Council on August 14, 2018 authorizing the issuance of the Bonds pursuant to this Indenture.

“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 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement 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 ___ 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 the Project Fund as further described in the PID Reimbursement Agreement and Section 6.5 herein.

“City Certificate” means a certificate signed by the City Representative and delivered to the Trustee.

“City Order” means written instructions by the City, executed by a City Representative.

“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 a Phases #2-7 Major Improvement Assessed Parcel and the costs of collection of a delinquent 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 Tollway/Outer Loop, L.P., a Texas limited partnership and any successor owner of the property or any portion thereof.

“Developer Improvement Account” means the Account of such name established pursuant to Section 6.1.

“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 Assessments against any Phases #2-7 Major Improvement Assessed Parcel or Phases #2-7 Major Improvement 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.

"Future Phase" means the property within the District not within Phase #1 that will be developed after the initiation of development in Phase #1.

"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, 2019.

"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.

"Major Improvements" means the Authorized Improvements which will benefit all of the property within the District and are more particularly described in Section III.B of the Service and Assessment Plan.

"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.

"Outstanding" means, as of any particular date when used with reference to 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 Tollway/Outer Loop, L.P., a Texas limited partnership.

"Phase #1" means the initial phase to be developed within the District and further identified and depicted in Exhibit L in the Service and Assessment Plan.

"Phase #1 Bond Indenture" means the Indenture of Trust dated as of August 1, 2018 between the City and U.S. Bank National Association, securing the Phase #1 Bonds.

"Phase #1 Bonds" means the City's bonds entitled "City of Celina, Texas, Special Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 Project)" to be issued concurrently with the Bonds to finance the Phase #1 Improvements and secured by assessments levied against property located within Phase #1 only in accordance with the assessment roll of attached as Exhibit H to the Service and Assessment Plan.

"Phase #1 Improvements" means the Authorized Improvements which will benefit the Phase #1 Assessed Parcels more particularly described in Section III.C of the Service and Assessment Plan plus a proportional share of costs for the Major Improvements allocable to Phase #1.

"Phase #1 Improvement Area" shall mean the property within the District and defined as Phase #1 in the Service and Assessment Plan.

"Phased PID Bonds" means bonds issued (whether by the City, a municipal corporation on the City's behalf, or any other governmental entity) to fund Authorized Improvements (or a portion thereof) in a Future Phase. In connection with the Phased PID Bonds, assessments will be levied only on parcels located within the Future Phase in question.

"Phases #2-7" means the property within the District not within Phase #1 and further identified and depicted in Exhibit A of the Service and Assessment Plan or in any Annual Service Plan Update.

"Phases #2-7 Major Improvement Assessed Parcel" means each respective parcel of land located within Phases #2-7 of the District against which an Assessment is levied in accordance with the Assessment Roll relating to Phases #2-7 attached as Exhibit I to the Service and Assessment Plan.

"Phases #2-7 Major Improvement Account" means the Account of such name established pursuant to Section 6.1.

"Phases #2-7 Major Improvements" means Phases #2-7's proportionate share of the Major Improvements described in Section III of the Service and Assessment Plan.

"PID Act" means Texas Local Government Code, Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, as amended.

"PID Reimbursement Agreement" means the "PID Reimbursement Agreement – Cambridge Crossing" between the City and the Developer relating to the Bonds, dated as of August 14, 2018, in which the Developer agrees to fund certain Actual Costs of the Authorized Improvements and the City agrees to reimburse the Developer for a portion of the Actual Costs with interest as permitted by the Act.

"Pledged Funds" means the Pledged Revenue Fund, the Bond Fund, the Project Fund (excluding the Developer Improvement Account), 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 (a) the Administrative Expenses and (b) Foreclosure Proceeds, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds.

"Prepayment" means the payment of all or a portion of an 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.

"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 date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of the date of issuance, or (iii) 10% of the proceeds of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to subsections (c) and (d) of Section 6.7; and provided further that as a result of an optional redemption pursuant to Section 4.3, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is \$_____, which is an amount equal to Maximum Annual Debt Service on the Bonds as of the date of issuance.

“Reserve Fund” means that fund established pursuant to Section 6.1 and administered in Section 6.7 herein.

“Service and Assessment Plan” means the document, including the Assessment Roll, as amended, which is attached as Exhibit A to the Assessment Ordinance.

“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.

“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.

“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 Pledged Revenues shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Pledged Revenues, the filing of 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 Pledged Revenues 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 Pledged Revenues 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 \$XXXXXXX for the purpose of (i) paying a portion of the Actual Costs of the Phases #2-7 Major Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phases #2-7 Major Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated August 1, 2018 (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, 2019 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 Ordinance;
- (b) a copy of the executed Bond Ordinance;
- (c) a copy of the executed Phase #1 Bond Indenture;
- (d) a copy of the executed PID Reimbursement 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 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, first class United States mail, 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 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, 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 be such officer 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 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 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.

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

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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 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 plus accrued interest to the date of redemption:

Term Bonds Maturing

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

Term Bonds Maturing

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

Term Bonds Maturing

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

(b) At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select a principal amount of Bonds 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 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 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 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 sinking mandatory fund redemption.

Section 4.3. Optional Redemption.

(a) 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.

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, 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 as provided in Section 6.7(c)), transfers to the Redemption Fund made pursuant to Section 6.3(d), 6.3(e), 6.3(f), 6.7(a), 6.7(c), 6.7(g) or 6.7(i) hereof, or as a result of unexpended amounts transferred from the Project Fund as provided in Section 6.5(e).

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in minimum principal amounts equal to the Authorized Denomination in effect at such time by any method selected by the Trustee that results in a random selection. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the smallest Authorized Denomination for such Bond.

(b) A portion of a single Bond of a denomination greater than an Authorized Denomination may be redeemed, but only in increments equal to the Authorized Denomination in effect at such time. The Trustee shall treat each \$5,000 portion of such Bond as though it were a single bond for purposes of selection for redemption. No redemption shall result in a

Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000 may be issued.

(c) Notwithstanding any provision in this Indenture to the contrary, including Section 4.5(b) above, if any Bonds are to be redeemed pursuant to Section 4.4 and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued.

(d) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver and exchange the 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 first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(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 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 on 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 Service Bureau Division of Standard & Poor's Corporation, 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, or 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) Phases #2-7 Major Improvement Account;
- (B) Developer Improvement Account;
- (C) Costs of Issuance Account.

(iv) The following Accounts are hereby created and established under the Administrative Fund:

- (A) District Administration Account; and
- (B) Developer Property Tax Account.

(c) Each Fund and 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 Phases #2-7 Major Improvement Account of the Project Fund: \$_____.

(b) Funds received from the Developer in the amount of \$_____ shall be deposited into the Developer Improvement Account of the Project Fund.

Funds received from the Developer on the Closing Date in the amount of the lesser of either (1) \$10,000 or (2) two times the amount of the property tax on the Property that is classified as agricultural in the current tax year shall be deposited to the Developer Property Tax Account of the Administrative Fund.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 1 of each year while the Bonds are Outstanding and beginning in year 2019, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Assessment Revenues to the Pledged Revenue Fund to be used in the following order of priority: (a) amounts sufficient to pay debt service on the Bonds coming due in such calendar year, (b) 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, (c) third, to the Additional Interest Reserve Account in an amount to cause the Additional Interest Reserve Account to equal the Additional Interest Reserve Requirement described in Section 6.7(a) hereof, (d) fourth, to pay other costs of the Authorized 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 Pledged Revenue Fund 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, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

(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 Phases #2-7 Major Improvement Assessed Parcel or Phases #2-7 Major Improvement 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 the Reserve Fund, the City may direct the Trustee by City Order to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

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 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 to the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Major Improvement Account of the Project Fund, or if the Project Fund has been closed as provided in Section 6.5(g) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof.

(b) Any funds received at Closing pursuant to the PID Reimbursement Agreement shall be applied as provided therein. Such provisions and procedures are herein incorporated by reference and deemed set forth herein in full.

(c) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The disbursement of funds from the Project Fund pursuant to a Certificate for Payment shall be pursuant to and accordance with the disbursement procedures described in the PID Reimbursement Agreement; and, such disbursements shall be made first from the Phases #2-7 Major Improvement Account of the Project Fund until all funds in such account are depleted and then next from the Developer Improvement Account of the Project Fund. 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.

(d) The Phase #1 Bond Indenture has established thereunder the Phase #1 Major Improvement Account for purposes of paying the Actual Costs of the Phase #1 Improvements

which include paying a portion of the costs of the Major Improvements allocable to Phase #1 pursuant to and as described in the Service and Assessment Plan. Upon receipt of, and pursuant to instructions contained within a Certificate for Payment, the Trustee shall disburse amounts from the Phases #2-7 Major Improvement Account of the Project Fund to pay costs of Major Improvements in an amount equal to the portion allocable to the Phases #2-7 Major Improvement Assessed Parcels as provided in the Service and Assessment Plan with the remainder of the Actual Costs of the Major Improvements to be paid from the Phase #1 Major Improvement Account. Each Certificate for Payment shall set forth the amount of the costs of a Major Improvement to be paid from the Phase #1 Major Improvement Account and the amount to be paid from the Phases #2-7 Major Improvement Account of the Project Fund.

(e) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Phases #2-7 Major Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Phases #2-7 Major Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Phases #2-7 Major Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Major Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in Phases #2-7 Major 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.

(f) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(g) Upon the filing of a City Certificate stating that all Phases #2-7 Major Improvements have been completed and that all Actual Costs of the Phases #2-7 Major Improvements allocable to the Phases #2-7 Major Improvement Assessed Parcels have been paid, or that any such Actual Costs are not required to be paid from the Phases #2-7 Major Improvement Account of the Project Fund pursuant to a Certificate for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Project Fund to the Bond Fund, (ii) shall transfer any remaining amount in the Developer Improvement Account of the Project Fund to the Developer, and (iii) shall close the Project Fund.

(h) 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 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, an amount equal to not less than the Reserve Account Requirement. 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. The Trustee will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 of each year, commencing March 1, 2019, an amount equal to the Additional Interest until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that at any time the amount on deposit in the Additional Interest Reserve Account is less than Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account. Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Additional Interest Reserve Account exceed the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the "Excess Additional Interest Reserve Amount"). The Excess Additional Interest Reserve Amount shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund or as otherwise directed in a City Order. In the event that the Trustee does not receive a City Order directing the transfer of the Excess Additional Interest Reserve Amount to the Administrative Fund within 45 days of providing notice to the City of such Excess Additional Interest Reserve Amount, the Trustee shall transfer the Excess Additional Interest Reserve Amount to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof. 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.

(b) 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 a written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(c) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) 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 interest 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 Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds, or (iii) to the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(e) Reserved.

(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 Redemption Fund and applied to the payment of the principal of the Bonds.

(h) If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Fund 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 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 Order, 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 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 Order solely for the purposes set forth in the Service and Assessment Plan.

(c) Moneys in the Developer Property Tax Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and shall be released to the Developer as directed by City Order; provided, however, that the Trustee shall transfer to the Developer any amounts remaining in the Developer Property Tax Account of the Administration Fund after the last Outstanding Bond is discharged regardless of whether a City Order directing such action is received.

Section 6.10. Investment of Funds.

(a) Money in any Fund established pursuant to this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. 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 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 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 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 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 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 Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the respective Phases #2-7 Major Improvement Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding and amounts are due the Developer to reimburse it for its funds it has contributed to pay costs of the Phases #2-7 Major Improvements, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the 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 Assessment or the corresponding Phases #2-7 Major Improvement Assessed Parcel.

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, 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 Outstanding Bonds or any interest thereon remain outstanding and unpaid, and the obligation to the Developer to reimburse it for funds it has contributed to pay costs of the Authorized Improvements remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the 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 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 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 Order, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Order 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 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

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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 Registrar and Paying Agent for and in respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction 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 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 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 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. 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 Authorized Improvements.

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 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 hereunder prior to any Bonds Outstanding. 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 under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

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.

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.

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 Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

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; and

(iv) 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.

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 ninety (90) 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 ninety-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.

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 Pledged Revenue Fund;
- (ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; and
- (iv) Default in the performance or observance of any covenant, agreement or obligation of the City under 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.

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 Owners of at least 25% of the Bonds then Outstanding, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under 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 Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(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 at least 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 registered 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 registered 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 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 registered owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the registered owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the registered owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably,

according to the amounts of principal due and to the registered owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners 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.

(a) 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 Pledged Revenues.

(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 Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues 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 Pledged Revenues 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 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; Phased PID Bonds.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

(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 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 Pledged Revenues or Pledged Funds; 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) Although the Additional Obligations will not be secured by the Trust Estate, the City reserves the right to issue Phased PID Bonds for any purpose permitted by the PID Act upon the conditions set forth below (provided, however, that nothing in this Section 13.2(c) shall prevent or limit the City from levying additional assessments against one or more Future

Phases in advance of the issuance of any Phased PID Bonds and in accordance with the PID Act):

(i) The Developer, through its authorized representative, shall certify that:

A. At least fifty-percent (50%) of the residential lots within the particular Future Phase of the District for which improvements are financed by the proposed Phased PID Bonds must be under contract with merchant builders unaffiliated with the Developer;

B. The ratio of the appraised value of all of the land in the particular Future Phase of the District relating to the proposed Phased PID Bonds to the sum of (i) the outstanding principal amount of such Phased PID Bonds plus (ii) the principal amount of the Outstanding Bonds allocated to such Future Phase must be at least 3:1 assuming completion of the Authorized Improvements to be financed with the proceeds of such Phased PID Bonds and based on: (i) an independent appraisal, (ii) the records of Collin Central Appraisal District; or (iii) a combination of (i) and (ii);

C. Construction plans for the Authorized Improvements in the particular Future Phase to be paid for with proceeds of such Phased PID Bonds to be issued must be submitted to the City for approval; and

D. Phased PID Bonds may be issued only for the purposes of financing Authorized Improvements as described in the Service and Assessment Plan or in an Annual Service Plan Update.

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 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 Order, 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
Celina, Texas 75009
Attn: Director of Finance

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 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 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.

[remainder of page left blank intentionally]

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

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

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
No. _____

REGISTERED
\$ _____

United States of America
State of Texas

CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASES #2-7 MAJOR IMPROVEMENT 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 _____, 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 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 August 1, 2018 and issued in the aggregate principal amount of \$XXXXXXX and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of August 1, 2018 (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 Phases #2-7 Major Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phases #2-7 Major Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

The Bonds 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 \$100,000 and any multiple of \$5,000 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 of 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_____

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

Term Bonds Maturing_____

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

Term Bonds Maturing_____

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
------------------------	--

* maturity

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, 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 Section 4.6 of 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 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, 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 first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or 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 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:

Authorized Signatory

NOTICE: The signature on this Assignment
must correspond with the name of the
registered owner as it appears on the face of
the within Bond in every particular and must be
guaranteed in a manner acceptable to the
Trustee.

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this
Exhibit A, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE"
and "MATURITY DATE" shall both be completed with the expression "As Shown Below,"
and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date
specified above, the sum of _____ DOLLARS" shall be deleted and the
following will be inserted: "on September 1 in each of the years, in the principal
installments and bearing interest at the per annum rates set forth in the following
schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
--------------	-------------------------------	-----------------------

(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: Celina - Cambridge Crossing #2-7 MIA 2018 - Bond Ordinance - MASTER (2018 - 45 : Cambridge Crossing Ph #2-7 Bond

DRAFT 7/30/2018

[\$[PRINCIPAL]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASES #2-7 MAJOR IMPROVEMENT PROJECT)

BOND PURCHASE AGREEMENT

_____, 2018

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 [\$[PRINCIPAL] aggregate principal amount of the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement Project)” (the “Bonds”), at a purchase price of \$_____ (representing the aggregate principal amount of the Bonds, [plus a premium 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 and the Underwriter has financial and other interests that differ from any other party to this Agreement, (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 Phases #2-7 Major 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 [August 1], 2018 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 _____, 2018 (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 Ordinance No. _____ enacted by the City Council of the City (the "City Council") on [August 14], 2018 (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 [August 1], 2018, 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 Phases #2-7 (consisting of approximately 334.675 acres within the District) of Cambridge Crossing Public Improvement District (the "District"). The District was established by Resolution No. 2017-10R (the "Creation Resolution"), enacted by the City Council on February 28, 2017, in accordance with the Act. A Service and Assessment Plan (the "Service and Assessment Plan") which sets forth the costs of the Phases #2-7 Major Improvements and the method of payment of the Assessments was adopted by the City Council on [August 14], 2018, pursuant to Ordinance No. _____ (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 costs of the “Phases #2-7 Major Improvements,” which consist of Phases #2-7’s proportionate share of the costs of certain improvements that will benefit the entire District, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phases #2-7 Major 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 issuance of the Bonds.

3. Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds. 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. 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 Closing (as defined herein) 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. 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:

- (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 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,

(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) 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 _____, 2018 (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 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 an 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 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 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, (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 Lot Purchase and Sales Agreements in Phase #1,” “THE PHASES #2-7 MAJOR IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phases #2-7 Major Improvements and the Development, as defined in the Limited Offering Memorandum), “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “ — The Developer’s Compliance with Prior Undertakings,” and “INFORMATION RELATING TO THE TRUSTEE.” If such notification shall be subsequent to the Closing, 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 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).

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:
 - (1) this Agreement;
 - (2) the Indenture;
 - (3) the PID Reimbursement Agreement (Cambridge Crossing) effective [August 14], 2018 executed and delivered by the City and Tollway/Outer Loop L.P., a Texas limited partnership (the “Developer”) (the “PID Reimbursement Agreement”);
 - (4) the Development Agreement (Cambridge Crossing), effective as of February 28, 2017, [as amended on May 8, 2018] executed and delivered by the City and the Developer (the “Development Agreement”);
 - (5) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation effective as of _____, 2018 executed and delivered by the City, [the Trustee] and the Developer (the “Phases #2-7 Major Improvement Redemption/Waiver Agreement”);
 - (6) [the Landowner Agreement effective as of _____, 2018 executed and delivered by the City and the Developer (the “Landowner Agreement”);] and
 - (7) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of _____, 2018 (the “Continuing Disclosure Agreement of 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 Phases #2-7 Major Improvement Redemption/Waiver Agreement, (6) [the Landowner Agreement], (7) the Continuing Disclosure Agreement of Issuer, (8) the Limited Offering Memorandum, and (9) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (9) 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 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 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 Phases #2-7 Major Improvement Assessment Roll (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 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 Lot Purchase and Sales Agreements in Phase #1,” “THE PHASES #2-7 MAJOR IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phases #2-7 Major Improvements and the Development, as defined in the Limited Offering Memorandum), “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “ — The Developer’s Compliance with Prior Undertakings,” 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 5 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 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 the 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 Lot Purchase and Sales Agreements in Phase #1,” “THE PHASES #2-7 MAJOR IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Landowner, the Phases #2-7 Major Improvements and the Development, as defined in the Limited Offering Memorandum), “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “ — The Developer’s Compliance with Prior Undertakings,” 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 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 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 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 years, the City has complied in all material respects with its previous continuing disclosure undertaking 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.

7. Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from 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 (the “Developer Certificate”) as set forth in Section 10(e) hereof.

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 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 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 Developer as, in the opinions of James Melino, Esq., Dallas, Texas, the Developer's general counsel ("Developer's General Counsel"), and Shupe Ventura, PLLC, special counsel to the Developer ("Developer's Special 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 PID Reimbursement Agreement, the Development Agreement, the Phases #2-7 Major Improvement Redemption/Waiver Agreement, [the Landowner Agreement,] the Developer Letter of Representations, and the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of _____, 2018, 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 Developer," and, together with the PID Reimbursement Agreement, the Development Agreement, the Phases #2-7 Major Improvement Redemption/Waiver Agreement, [the Landowner Agreement,] and the Developer Letter of Representations, 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 Phases #2-7 Major Improvements and the District, 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 such Developer to pay the Assessments when due.

d. Concurrent Closing of the Phase #1 Bonds. The City shall issue concurrently with the issuance of the Bonds its "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 Project)," dated _____, 2018.

e. Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 10 below.

f. 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 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

(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.

10. 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 D 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 10(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 Bond Counsel has reviewed the statements and information appearing under the captions and subcaptions “PLAN OF FINANCE — The Bonds,” “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings,” “LEGAL MATTERS — Legal Opinions,” “CONTINUING DISCLOSURE – The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS 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, the Service and Assessment Plan 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 or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance, 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 PID Reimbursement Agreement, the Development Agreement, the Phases #2-7 Major Improvement Redemption/Waiver Agreement, [the Landowner Agreement,] the Continuing Disclosure Agreement of 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 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. Opinions of Developer's General Counsel and Special Counsel. (i) An opinion of Developer's General Counsel, substantially in the form of Appendix D-1 hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Attorney for the City, the Underwriter and the Trustee; and (ii) an opinion of Developer's Special Counsel, substantially in the form of Appendix D-2 hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Attorney for the City, the Underwriter, and the Trustee.

e. Developer Certificate. The Developer Certificate dated as of the Closing Date, signed by authorized officers of Developer in substantially the form of Appendix E hereto.

f. City 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 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 date of Closing and addressed to the Underwriter, the City and Bond Counsel, in form and substance acceptable to counsel for the Underwriter, 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, with full corporate power and authority to conduct its business and affairs as Trustee;

(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;

(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; and

(iv) 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. Trustee's Certificate. A customary authorization and incumbency certificate dated as of Closing, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter and Underwriter's Counsel.

i. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Orrick, Herrington & Sutcliffe LLP, counsel to the Underwriter, to the effect that:

(i) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, 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 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 did not extend beyond the date of the Limited Offering Memorandum), 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) as of the date of the Preliminary Limited Offering Memorandum and as of [____], 2018, 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 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, and (b) as of the date of the Limited Offering Memorandum and as of the date hereof, 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 any 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 about (i) with respect to the Preliminary Limited Offering Memorandum, any difference in information contained therein compared to what is contained in the Limited Offering Memorandum, whether or not related to pricing or sale of the Bonds, and whether any such difference is material and should have been included in the Preliminary Limited Offering Memorandum, and (ii) with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, 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, or any information about book-entry, DTC, 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 Issuer satisfies the requirements contained in S.E.C. Rule 15c2-12(b)(5) 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 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. 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 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.

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 Issuer and the Continuing Disclosure Agreement of Developer, shall have been executed by the parties thereto in substantially the forms attached to the Preliminary 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 the District dated _____, 2018.

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 Creation Resolution, including legal description of the District by metes and bounds and (ii) the Assessment Ordinance, including the assessment rolls 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 Texas Bank and Trust Company and any other lienholder on land in the District, in recordable form, 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 form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

t. Evidence of Ownership of Property. Evidence that on the date that the Assessment Ordinance was adopted all of the Phases #2-7 Major Improvement Assessed Property (as defined in the Service and Assessment Plan) was owned by the Developer or other development entities and that such landowners are not entities that may claim a homestead right under Texas law.

u. Rule 15c2-12 Certification. A resolution, an ordinance or 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 Rule 15c2-12 in connection with the offering of the Bonds.

v. 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 Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

w. BLOR. A copy of the Blanket 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 their 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 date of the Closing 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 General Counsel, Developer's Special Counsel, and the Trustee relating to the issuance of the Bonds; (iv) the Attorney General's review fees; (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Developer, including but not limited to the fees and expenses of the Appraiser and the PID Administrator; and (vi) the expenses incurred by or on behalf of City employees and representatives that are 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 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 ("Texas MAC") whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities. The estimated Texas MAC fee for this financing is \$[___].

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., 100 Crescent Court, Suite 700, Dallas, Texas 75201, 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 Section 16 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 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.

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. Anti-Boycott Verification. The Underwriter represents that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, including, without limitation, 50 U.S.C. Section 4607, the Underwriter, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Underwriter (i) boycotts Israel or (ii) will boycott Israel through the term of this Agreement, which for the purposes of this Section shall mean the end of the underwriting period unless this Agreement is terminated in accordance with the provisions hereof. The terms “boycotts Israel” and “boycott Israel” as used in this paragraph have the meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code, as amended.

23. Iran, Sudan and Foreign Terrorist Organizations. The Underwriter represents that, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Subchapter F of Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Underwriter, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Underwriter is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code.

24. 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.

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

Accepted at _____ a.m./p.m. central time on the
date first stated above.

City of Celina, Texas

By: _____
Mayor

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 2018

(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASES #2-7 MAJOR IMPROVEMENT PROJECT)

Interest Accrues From: Date of Delivery

\$ _____ % Term Bonds, Due _____, 20__, Priced to Yield _____% (a) (b) (c)

\$ _____ % Term Bonds, Due _____, 20__, Priced to Yield _____% (a) (b) (c)

\$ _____ % Term Bonds, Due _____, 20__, Priced to Yield _____% (a) (b) (c)

- (a) The initial reoffering prices or yields of the Bonds have been determined in accordance with the 10% test.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after _____, 20__, at the redemption price of 100% of the principal amount of such Bonds, or portion thereof, to be redeemed, plus accrued interest to date 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."
- The Term Bonds maturing _____, 20__, are also 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 _____, 20__Redemption DateSinking Fund
Installment

The Term Bonds maturing _____, 20__, are also 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 _____, 20__Redemption DateSinking Fund
Installment

The Term Bonds maturing _____, 20__, are also 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 _____, 20__Redemption DateSinking Fund
Installment

Schedule I-1

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

\$(PRINCIPAL)
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASES #2-7 MAJOR IMPROVEMENT PROJECT)

DEVELOPER LETTER OF REPRESENTATIONS

_____, 2018

City of Celina, Texas
 142 N. Ohio Street
 Celina, Texas 76201

FMSbonds, Inc.
 100 Crescent Court, Suite 700
 Dallas, Texas 75201

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 \$(PRINCIPAL) “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement 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, TOLLWAY/OUTER LOOP L.P., a Texas limited partnership (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 an 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 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 the information set forth under the captions “PLAN OF FINANCE — Development Plan” and “ – Status of Lot Purchase and Sales Agreements in Phase #1,” “THE PHASES #2-7 MAJOR IMPROVEMENTS,” “THE DEVELOPMENT,” and “THE DEVELOPER” and, to the best of the Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phases #2-7 Major Improvements and the Development, as defined in the Limited Offering Memorandum), “LEGAL MATTERS — Litigation — The Developer” and “CONTINUING DISCLOSURE — The Developer” and “ — The Developer’s Compliance with Prior Undertakings.”

3. Developer Documents. 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 Developer, enforceable against Developer in accordance with its terms:

- a. this Developer Letter of Representation;
- b. that certain PID Reimbursement Agreement (Cambridge Crossing) dated _____, 2018 made by and between the Developer and the City;
- c. that certain Development Agreement (Cambridge Crossing), effective as of February 28, 2017, [as amended on May 8, 2018] made by and between the Developer and the City;
- d. that certain Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation effective as of _____, 2018 made by and

among the City, [the Trustee] and the Developer (the “Phases #2-7 Major Improvement Redemption/Waiver Agreement”);

e. [that certain Landowner Agreement effective as of _____, 2018 made by and between the City and the Developer (the “Landowner Agreement”);] and

f. that certain Continuing Disclosure Agreement of the Developer, dated as of _____, 2018 made by and among the Developer, MuniCap, Inc., 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. The Developer is duly formed and validly existing as a limited partnership under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Developer provided by the 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 Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which Developer is 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 Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on such the ability of 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 Development in accordance with the description thereof in the Preliminary 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. The Developer represents and warrants that the information set forth in the Preliminary Limited Offering

Memorandum under the captions “PLAN OF FINANCE — Development Plan” and “ – Status of Lot Purchase and Sales Agreements in Phase #1,” “THE PHASES #2-7 MAJOR IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER” and “CONTINUING DISCLOSURE — The Developer” and “ — The Developer’s Compliance with Prior Undertakings,” and, to the best of the Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phases #2-7 Major Improvements and the Development, as defined in the Limited Offering Memorandum) and “LEGAL MATTERS — Litigation — The Developer” 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 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 Developer is a party described in the Preliminary Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Phases #2-7 Major 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 Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “PLAN OF FINANCE — Development Plan” and “ – Status of Lot Purchase and Sales Agreements in Phase #1,” “THE PHASES #2-7 MAJOR IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phases #2-7 Major Improvements, and the Development), “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “ — The Developer’s Compliance with Prior Undertakings,” 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 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.]

**TOLLWAY/OUTER LOOP L.P.,
a Texas limited partnership**

By: Tollway/Outer Loop GP, LLC,
a Texas limited liability company
its general partner

By: LLC Manager, Inc.
a Texas corporation
its manager

By: _____

Name: _____

APPENDIX B

[\$[PRINCIPAL]

CITY OF CELINA, TEXAS,

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018

(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT

PHASES #2-7 MAJOR IMPROVEMENT 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 distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail 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 {SALE DATE}.

(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).

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

Dated: _____

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING
PRICES OF THE HOLD-THE -OFFERING-PRICE MATURITIES

Attachment: Celina - Cambridge Crossing #2-7 MIA 2018 - Bond Ordinance - MASTER (2018 - 45 : Cambridge Crossing Ph #2-7 Bond

SCHEDULE B
PRICING WIRE AND EQUIVALENT COMMUNICATIONS

APPENDIX C

[LETTERHEAD OF MESSER, ROCKEFELLER & FORT]

[CLOSING DATE]

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

U.S. Bank National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

\$[PRINCIPAL]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASES #2-7 MAJOR IMPROVEMENT PROJECT)

Ladies and Gentlemen:

We are the Attorney for the City of Celina, Texas (the “City”) for limited purposes, and are rendering this opinion in connection with the issuance and sale of \$[PRINCIPAL] “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement 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 _____, 2018 (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 [August 1], 2018 (the “Indenture”) by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed the:

(a) The Resolution No. 2018-10R (the “Creation Resolution”) enacted by the City Council on February 28, 2018;

(b) The Ordinance No. _____ accepted and approved by City Council on _____, 2018, and the Service and Assessment Plan attached as an exhibit thereto (the “Assessment Ordinance”), as such Service and Assessment Plan was updated by the Bond Ordinance;

(c) The Bond Ordinance;

- (d) The Indenture;
- (e) The PID Reimbursement Agreement (Cambridge Crossing) effective _____, 2018, executed and delivered by the City and Tollway/Outer Loop L.P., a Texas limited partnership (the “Developer”) (the “PID Reimbursement Agreement”);
- (f) The Development Agreement, effective as of February 28, 2018, executed and delivered by the City and the Developer (“Development Agreement”);
- (g) The Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation effective as of _____, 2018 executed and delivered by the City, [the Trustee] and the Developer (the “Phases #2-7 Major Improvement Redemption/Waiver Agreement”);
- (h) [The Landowner Agreement effective as of _____, 2018 executed and delivered by the City and the Developer (the “Landowner Agreement”);] and
- (i) The Continuing Disclosure Agreement of the Issuer, dated as of _____, 2018, executed and delivered by the City and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”) (the “Continuing Disclosure Agreement of City”).

The Creation Resolution, the Assessment Ordinance and Bond Ordinance shall herein after be referred to as the “Authorizing Documents” and the remaining documents shall herein after be collectively referred to as the “City Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the City Documents by all parties other than the City.

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 Authorizing Documents and the City 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 City 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 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 City 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 City 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 City 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, and (c) the application of Texas 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 City Documents will not violate any provision of any Federal or Texas 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 City Documents.

7. The City has duly authorized, executed 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 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 Compliance with Prior Undertakings" and "APPENDIX A" is a fair and accurate summary of the law relating to collection and enforcement of Assessments and the documents and facts summarized therein.

9. The adoption of the Authorizing Documents and the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City 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.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

JULIE FORT
ATTORNEY FOR THE CITY

APPENDIX D-1

[LETTERHEAD OF JAMES MELINO, ESQ.]

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

U.S. Bank National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-2784

Messer, Rockefeller & Fort
6351 Preston Road, Suite 350
Frisco, Texas 75034

[TO BE PROVIDED]

APPENDIX D-2**[LETTERHEAD OF SHUPE VENTURA, PLLC
SPECIAL COUNSEL TO THE DEVELOPER]**

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

U.S. Bank National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-2784

Messer, Rockefeller & Fort
6351 Preston Road, Suite 350
Frisco, Texas 75034

[TO BE PROVIDED]

EXHIBIT E**CLOSING CERTIFICATE OF DEVELOPER**

Tollway/Outer Loop L.P., a Texas limited partnership (“Developer”), DOES 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 Developer is a limited partnership organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of 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 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement Project) (the “Bonds”), pursuant to the District’s Preliminary Limited Offering Memorandum, dated _____, 2018, and Limited Offering Memorandum dated _____, 2018 (together, the “Limited Offering Memorandum”).

3. 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 and are in full force and effect as of the date hereof.

4. The Developer has 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 Developer.

5. 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 Developer, enforceable against Developer in accordance with its terms:

(a) that certain Developer Letter of Representations dated _____, 2018;

(b) that certain PID Reimbursement Agreement (Cambridge Crossing) dated _____, 2018 made by and between the Developer and the City;

(c) that certain Development Agreement (Cambridge Crossing), effective as of February 28, 2017, [as amended on May 8, 2018] made by and between the Developer and the City;

(d) that certain Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation effective as of _____, 2018 made by and among the City, [the Trustee] and the Developer (the “Phases #2-7 Major Improvement Redemption/Waiver Agreement”);

(e) [that certain Landowner Agreement effective as of _____, 2018 made by and between the City and the Developer (the “Landowner Agreement”);] and

(f) that certain Continuing Disclosure Agreement of the Developer, dated as of _____, 2018 made by and among the Developer, MuniCap, Inc., and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

6. 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.

7. The execution and delivery of the Developer Documents by the Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which 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 such the ability of 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 Development in accordance with the description thereof in the Limited Offering Memorandum.

8. The Developer has reviewed and approved the information contained in the Limited Offering Memorandum under the captions “PLAN OF FINANCE – Development Plan” and “ – Status of Lot Purchase and Sales Agreements in Phase #1,” “THE PHASES #2-7 MAJOR IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phases #2-7 Major Improvements, and the Development), “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE — The Developer” and “— The Developer’s Compliance with Prior Undertakings”, 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 Developer and the portion of the Development owned by such 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 Limited Offering Memorandum.

9. To the best of our knowledge, the Developer is 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) to the best of our knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon 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 such portion of the land within the District 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 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.

11. The levy of the Assessments (as defined in the Limited Offering Memorandum) on Phases #2-7 of the District owned by Developer will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which Developer is a party or to which Developer or any of its property or assets is subject.

12. 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 development of the Development.

Dated: _____, 2018

DEVELOPER:

**TOLLWAY/OUTER LOOP L.P.,
a Texas limited partnership**

By: Tollway/Outer Loop GP, LLC,
a Texas limited liability company
its general partner

By: LLC Manager, Inc.
a Texas corporation
its manager

By: _____
Name: _____

APPENDIX F

[LETTERHEAD OF APPRAISER]

[DATE]

City of Celina, Texas
 142 N. Ohio Street
 Celina, Texas 76201

FMSbonds, Inc.
 100 Crescent Court, Suite 700
 Dallas, Texas 75201

Norton Rose Fulbright US LLP
 2200 Ross Avenue, Suite 3600
 Dallas, Texas 75201-2784

U.S. Bank National Association
 13737 Noel Road, Suite 800
 Dallas, Texas 75240

Re: City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018
 (Cambridge Crossing Public Improvement District Phases #2-7 Major
 Improvement Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, representative of Jackson Claborn, Inc. (“Jackson Claborn”), the appraiser of the undeveloped property contained in Cambridge Crossing Public Improvement District (the “District”), does hereby represent the following:

1. Jackson Claborn has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated _____, 2018, and the Limited Offering Memorandum for the Bonds, dated on or about _____, 2018 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Celina, Texas, as described above. The information Jackson Claborn has provided is the real estate appraisal of the property in the District, located in APPENDIX F to the Limited Offering Memorandum, and the description thereof, set forth under the caption “APPRAISAL OF PROPERTY WITHIN 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. Jackson Claborn 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. Jackson Claborn 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 _____, 2018) 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,

Jackson Claborn, Inc.

By: _____
Its: _____

APPENDIX G

[LETTERHEAD OF PID ADMINISTRATOR]

[DATE]

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-2784

U.S. Bank National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240

Re: City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018
(Cambridge Crossing Public Improvement District Phases #2-7 Major
Improvement Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, representative of MuniCap, Inc. (“MuniCap”), consultant in connection with the creation by the City of Celina, Texas (the “City”), of Cambridge Crossing Public Improvement District (the “District”), does hereby represent the following:

1. MuniCap has supplied certain information contained in the Preliminary Limited Offering Memorandum, dated _____, 2018 (the “Preliminary Limited Offering Memorandum”), and the final Limited Offering Memorandum, dated on or about _____, 2018 (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 MuniCap provided for the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is located (a) under the caption “ASSESSMENT PROCEDURES — Assessment Methodology” and “ — Assessment Amounts,” (b) under the caption “THE PID ADMINISTRATOR” and (c) in the Service and Assessment Plan (the “SAP”) for the City located in APPENDIX C 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 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. MuniCap agrees to the inclusion of the SAP in the Limited Offering Memorandum and to the use of its name in the Limited Offering Memorandum for the Bonds.

4. MuniCap 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 _____, 2018) 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: _____

EXHIBIT C
CONTINUING DISCLOSURE AGREEMENT

Attachment: Celina - Cambridge Crossing #2-7 MIA 2018 - Bond Ordinance - MASTER (2018 - 45 : Cambridge Crossing Ph #2-7 Bond

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASES #2-7 MAJOR IMPROVEMENT PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement dated as of _____, 2018 (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. (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2-7 Major Improvement 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 [August 1], 2018, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall mean the employee or designee of the Issuer, identified in any Indenture, the District’s Service and Assessment Plan, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected MuniCap, Inc., as the initial Administrator.

“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 provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Assessments” 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 Tollway/Outer Loop L.P., a Texas limited partnership, and its successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer, relating to the Bonds, dated as of _____, 2018 executed and delivered by the Developer, the Administrator 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 Cambridge Crossing Public Improvement District.

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

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

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Material” shall have the meaning ascribed in 17 C.F.R. § 270.8b-2: “when used to qualify a requirement for the furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before buying or selling any security of the particular company.”

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

“Phase #1” shall mean the first phase of the development within the District.

“Phases #2-7” shall mean the property within the District excluding Phase #1 which is to be developed subsequent to Phase #1.

“Outstanding” shall mean, as of any particular date when used with reference to 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 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 registered owner of any Bonds.

“Participating Underwriter” means FMSbonds, Inc., and its successors and assigns.

“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.

“Tax-exempt” shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax liability.

“Trustee” shall mean U.S. Bank National Association or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Bond Disclosure 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 ending September 30, 2018, 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, however, if the audited financial statements are not complete within such period, 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 date specified in Section 4 of this Disclosure Agreement for providing the Annual Issuer Report to the MSRB, 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.

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 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 that a Listed Event as described in Section 5 hereof has occurred and 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, 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 "SAP Update"), including any changes to the methodology for levying the Assessments in Phases #2-7.
 - (iii) Until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Assessments levied within Phases #2-7, such SAP Update shall include, the number of new homes completed in Phases #2-7 during such Fiscal Year and the

aggregate number of new homes completed within Phases #2-7 since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2018.

(iv) Listing of any property or property owners in the District representing more than five percent (5%) of the levy of Assessments, the amount of the levy of Assessments against such landowners, and the percentage of such Assessments relative to the entire levy of Assessments within the District, all as of the October 1 billing date for the succeeding Fiscal Year.

(v) The individual and aggregate taxable assessed valuation for parcels or lots within Phases #2-7 based on the most recent certified tax roll available to the Issuer.

(vi) The current or delinquent status of the payment of the Assessment for each parcel or lot in Phases #2-7 as of February 15 of the calendar year immediately succeeding such Fiscal Year.

(vii) The total amount of (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 Assessments 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).

(viii) If the total amount of delinquencies greater than 150 days equals or exceeds ten percent (10%) of the amount of Assessments due in any fiscal year, a list of delinquent property owners.

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

(x) 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.

(xi) Any changes to the land use designation for the property in the District that might negatively impact its development for those purposes identified in the final Amended and Restated Service and Assessment Plan, as the same may be amended and supplemented from time to time.

(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 paragraph. 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.
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.

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.

Whenever the Issuer obtains knowledge of 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 immediately 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 provided such notice is delivered to the Dissemination Agent by 2:00 P.M. central standard time on any such day. 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. 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.

(a) The Dissemination Agent shall, within three (3) 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. 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.

(b) 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, 10, 13, or 14 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 (d).

(c) 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 Bond Disclosure 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 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), 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. 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 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. 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.

SECTION 12. Assessment Timeline. 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 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, 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. Anti-Boycott Verification. To the extent this Disclosure Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, the Dissemination Agent represents that the Dissemination Agent nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Dissemination Agent (i) boycotts Israel or (ii) will boycott Israel through the term of this Disclosure Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. To the extent this Disclosure Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law the Dissemination Agent represents that the Dissemination Agent nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Dissemination Agent is a company listed

by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code.

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.

[remainder of page left blank intentionally]

CITY OF CELINA, TEXAS

By: _____
Mayor

Attachment: Celina - Cambridge Crossing #2-7 MIA 2018 - Bond Ordinance - MASTER (2018 - 45 : Cambridge Crossing Ph #2-7 Bond

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(PHASES #2-7 MAJOR IMPROVEMENT)

HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.
(as Dissemination Agent)

By: _____
Authorized Officer

Attachment: Celina - Cambridge Crossing #2-7 MIA 2018 - Bond Ordinance - MASTER (2018 - 45 : Cambridge Crossing Ph #2-7 Bond

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(PHASES #2-7 MAJOR IMPROVEMENT)

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 2018
 (Cambridge Crossing Public Improvement District Phases #2-7
 Major Improvement Project)
 CUSIP Nos. [insert CUSIP NOs.]
 Date of Delivery: _____, 20__

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, relating to the above-referenced Bonds, dated _____, 2018, 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

EXHIBIT B

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PHASES #2-7 MAJOR IMPROVEMENT PROJECT)**

ANNUAL BOND DISCLOSURE 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

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	_____
Debt to Value Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

ITEMS REQUIRED BY SECTION 4(a)(ii) - (xii)

[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		Assessments are due.
February 1	1	Assessments Delinquent if not received. Issuer forwards payment to Trustee for all collections received as of February 1, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
February 15	15	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 during 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 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

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Assessments, which dates and procedures are subject to adjustment by the Issuer.

March 1	28/29	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 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	47/48	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 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 Assessments.
July 1	150/151	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.
July 15	165/166	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.
August 1	181/182	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 August 1 (day 181/182).
August 15	206/207	Foreclosure action to be filed with the court.
August 30	221/222	Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status. Dissemination Agent notifies bondholders.
September 15	237/238	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 Assistant City Manager 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 Assessments.

EXHIBIT D
REDEMPTION AGREEMENT

Attachment: Celina - Cambridge Crossing #2-7 MIA 2018 - Bond Ordinance - MASTER (2018 - 45 : Cambridge Crossing Ph #2-7 Bond



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: Cambridge Crossing PID Assessment Public Hearing

Action Requested:

The Celina City Council will conduct a public hearing to consider proposed assessments to be levied against the assessable property within the Cambridge Crossing Public Improvement District pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended. The boundaries of the District include approximately 484.074 acres of land generally located directly north of County Road 7, directly east of County Road 6, south of FM 428, and west of Dallas Parkway. (Cambridge Crossing Public Hearing) (DeBuff)

Background Information:

Celina City Council authorized the establishment of the Cambridge Crossing PID on February 28, 2017, with authorization of up to \$80,000,000 in bonds for the District to finance certain public improvements to benefit the property in the District. Council approved the determination of costs resolution for Phase I on July 10, 2018.

This public hearing will be conducted to consider proposed assessments against Cambridge Crossing Public Improvement District (PID).

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Updated Service & Assessment Plan

Staff Recommendation:

Staff recommends Council open the Public Hearing and close in the same meeting.

**CAMBRIDGE CROSSING
PUBLIC IMPROVEMENT DISTRICT
SERVICE AND ASSESSMENT PLAN**

August 6, 2018

Attachment: Cambridge Crossing PID - Draft SAP - v2.1 (Cambridge Crossing PID Assessment Public Hearing)

CAMBRIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN

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List of Appendix

Appendix A	The PID Map and Legal Descriptions
Appendix B	Estimated Costs of the Authorized Improvements
Appendix C	Diagrams of the Authorized Improvements
Appendix D	Lot Types and Equivalent Units
Appendix E	Phases #2 - 7 Major Improvement Assessment Roll
Appendix F	Phase #1 Assessment Roll

Section I PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On February 28, 2017 (the “Creation Date”) the City Council of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2017-10R approving and authorizing the creation of the Cambridge Crossing Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in the PID (the “Authorized Improvements”), all of which is located within the City of Celina.

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

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

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

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

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

B. Definitions

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

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (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. 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” has the meaning set forth in Section V.G of this Service and Assessment Plan.

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

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

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

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

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

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

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

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

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

“Assessment Roll” means, as applicable, the Phases #2 - 7 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, an Assessment Roll for Phases #2 - 7 of development or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

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

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

“Certification for Payment” means the certificate to be provided by the Developer, or his

designee, to substantiate the Actual Cost of one or more Authorized Improvements. “

“**City**” means the City of Celina, Texas.

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

“**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 Tollway/Outer Loop, L.P., a Texas limited partnership, and any successor owner of the Property or any portion thereof with obligation to construct all or a portion of the Authorized Improvements.

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

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

“**Homeowner Association**” means a homeowner’s association or property owners’ association established for the benefit of property owners within the boundaries of the PID.

“**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.

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

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

“**Maximum Assessment Per Unit**” mean the Assessment amount per Lot Type shown in Section V.E.

“**Major Improvements**” or “**MI**” mean the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

“**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 at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI. E.

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

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

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

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

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

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

“Phase #1 Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phase #1 Project)" that are secured primarily by Phase #1 Assessment Revenues.

“Phase #1 Improvements” mean (i) the pro rata portion of the Major Improvements allocable to Phase #1, and (ii) the Phase #1 Projects, which are described in Section III.C.

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

“Phased PID Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Phase. In connection with the Phased PID Bonds, Assessments will be levied only on Parcels located within the Phase in question.

“Phases #2 - 7” mean the property within the PID excluding Phase #1 which is to be developed subsequent to Phase #1 and generally depicted in Appendix A of this Service and Assessment Plan

or any Annual Service Plan Update.

“Phases #2 - 7 Major Improvements” mean the pro rata portion of the Major Improvements allocable to Phases #2 - 7, which are described in Section III.

“Phases #2 - 7 Major Improvement Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments levied against Phases #2 - 7 Major Improvement Assessed Property, or the Annual Installments thereof, for the Major Improvements.

“Phases #2 - 7 Major Improvement Assessed Property” means, for any year, all Parcels within the PID other than (a) Non-Benefited Property, and (b) Parcels within Phase #1.

“Phases #2 - 7 Major Improvement Assessment Roll” means the document included in this Service and Assessment Plan as Appendix E, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phases #2 - 7 Major Improvement Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Cambridge Crossing Public Improvement District Phases #2 - 7 Major Improvement Project)" that are secured primarily by Phases #2 - 7 Major Improvement Assessment Revenues.

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

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

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

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

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

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

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

“Zoning Ordinance” means Ordinance No. 2016-32 adopted by the City Council on April 12, 2016, which ordinance establishes the permitted uses of, and standards for the development of the property within the PID.

Section II PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID is presently located within the City and contains approximately 484.074 acres of land, generally located directly north of County Road 7, directly east of County Road 6, south of FM 428, and west of Dallas Parkway. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 1,528 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (1,528) is based upon the proposed development plan.

B. Property Included in Phase #1 and Phases #2 - 7

Phase #1 consists of approximately 108.523 acres and is projected to consist of 330 single family residential units, to be developed as Phase #1, as further described in Section III. Phases #2 - 7 consist of approximately 334.675 acres and are projected to consist of approximately 1,198 residential units. A map of the property within Phase #1 and Phases #2 - 7 and depicting the boundaries of each proposed Phase is shown in Appendix A.

C. Property Included in Future Phases

As Future Phases are developed, Phased PID Bonds may be issued for each new phase. In connection with the issuance of each new Phased PID Bonds, this Service and Assessment Plan will be updated to add additional details of each new Phase(s) as shown for Phase #1 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix E and Appendix F.

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

Section III DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. Authorized Improvement Overview

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

372.003. Authorized Improvements

- (a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.
- (b) A public improvement may include:
 - (i) landscaping;
 - (ii) erection of fountains, distinctive lighting, and signs;
 - (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
 - (iv) construction or improvement of pedestrian malls;
 - (v) acquisition and installation of pieces of art;
 - (vi) acquisition, construction, or improvement of libraries;
 - (vii) acquisition, construction, or improvement of off-street parking facilities;
 - (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
 - (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
 - (x) the establishment or improvement of parks;
 - (xi) projects similar to those listed in Subdivisions (i)-(x);
 - (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
 - (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and

- (xiv) payment of expenses incurred in the establishment, administration and operation of the district.

After analyzing the public improvement projects authorized by the PID Act, the City has determined that the Authorized Improvements as described in Appendix B and shown on the diagram included as Appendix C should be undertaken by the City for the benefit of the property within the PID.

B. Description of Estimated Costs of Major Improvements

The Major Improvements benefit the entire PID. The costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units.

The Major Improvements descriptions are presented below as provided by the project engineer. The costs of the Major Improvements are shown in Table III-A. The costs shown in Table III-A are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID. To the extent that an Authorized Improvement is oversized or otherwise provides special benefit to property outside of the PID, the costs of such oversizing are not included in this SAP.

Road Improvements:

The major roadway improvements 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 major water distribution system improvements 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 City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Collection System Improvements:

The major sanitary sewer collection system improvements 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 City standards and specifications and will be owned and operated by the City.

Storm Drainage Collection System Improvements

The major storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. 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-A
Estimated Major Improvement Costs

Authorized Improvements	Total Estimated Major Improvement Costs
Road improvements	\$7,252,340
Estimated Right-of-Way	<u>\$3,240,000</u>
<i>Subtotal: Road improvements including Right-of-Way</i>	<i>\$10,492,340</i>
Water distribution system improvements	\$1,020,500
Sanitary sewer collection system improvements	\$1,422,020
Storm drainage collection system improvements	\$1,047,000
Soft costs including City, professional and miscellaneous soft costs	\$364,333
Total – Estimated Major Improvement Costs	\$14,346,193

The costs shown in Table III-A are current estimates and may be revised in Annual Service Plan Updates.

C. Description of Estimated Costs of Phase #1 Improvements

The Phase #1 Improvements include a proportional share of the Major Improvements described above and the Phase #1 Projects that benefit only Phase #1. The description of the Phase #1 Projects are presented below as provided by the project engineer. The costs of the Phase #1 Projects are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Road Improvements:

The Phase #1 roadway improvements 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 Phase #1 water distribution system improvements 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 City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Collection System Improvements:

The Phase #1 sanitary sewer collection system improvements 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 City standards and specifications and will be owned and operated by the City.

Table III-B
Estimated Phase #1 Improvement Costs

Authorized Improvements	Total Estimated Phase #1 Improvement Costs
Road improvements	\$2,543,000
Water distribution system improvements	\$1,097,000
Sanitary sewer collection system improvements	\$1,003,000
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$194,000
<i>Subtotal – Estimated Phase #1 Projects</i>	<i>\$4,837,000</i>
Add: Proportional share of estimated Major Improvement Costs ¹	\$3,148,382
Total Estimated Phase #1 Improvement Costs	\$7,985,382

¹ See Section V(C) for allocation of Major Improvement costs to Phase #1.

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

The costs shown in Tables III-A and III-B are estimates and may be revised in Annual Service Plan Updates. The detailed costs of the Authorized Improvements are shown in Appendix B to this Service and Assessment Plan. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID).

D. Future Phase Authorized Improvements

As Phases are developed, additional Bonds for Future Phases will be issued to finance additional Authorized Improvements for each Future Phase. As Phased PID Bonds are issued for each Future Phase, this Service and Assessment Plan will be updated to identify the specific Authorized Improvements financed by such Phased PID Bonds that benefit each Phase (e.g., a Table III-C will be added to show the estimated costs for phase #2 Authorized Improvements, etc.).

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Section IV SERVICE PLAN

A. Sources and Uses of Funds

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five-year period. It is anticipated that it will take approximately 18 months to construct the Major Improvements and approximately 18 months for the Phase #1 Improvements to be constructed. At some point after all or a portion of the Major Improvements and Phase #1 Improvements are constructed, phase #2 will begin development. After phase #2 is developed, it is anticipated that Phase #3 will begin development, with each Future Phase to be subsequently developed corresponding to the Service and Assessment Plan to be updated with that development.

The estimated costs for Major Improvements allocable to Phases #2 – 7 and Phase #1 Improvements plus costs related to the issuance of the Bonds, in one or more series, for the Major Improvements allocable to Phases #2 – 7 and Phase #1 Improvements and payment of expenses incurred in the establishment, administration and operation of the PID is \$24,299,920 as shown in Table IV-A. The sources and uses of funds shown in Table IV-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

As Future Phases are developed in connection with the issuance of Phased PID Bonds, this Service and Assessment Plan will be amended (e.g. Table IV-A will be amended to add phase #2, etc.).

Bonds are being issued starting in 2018 to finance the Major Improvements allocable to Phases #2 – 7 and Phase #1 Improvements. Table IV-A shows the sources and uses of the Bonds. The Phase #1 Bonds are being issued to finance a portion of the Phase #1 Improvements, including costs to issue the Phase #1 Bonds, as shown in Table IV-A. Proceeds of the Phase #1 Bonds will be used to construct or acquire a portion of the Phase #1 Improvements.

Table IV-A
Estimated Sources and Uses

Sources of Funds	Phases #2- 7 Major Improvement Bonds		Phase #1 Bonds	Total
Par amount	\$13,795,000	\$9,555,000		\$23,350,000
Other funding sources	\$453,138	\$496,782		\$949,920
Total Sources	\$14,248,138	\$10,051,782		\$24,299,920
Uses of Funds				
<u><i>Major Improvements</i></u>				
Road improvements including Right-of-Way	\$8,189,716	\$2,302,624		\$10,492,340
Water distribution system improvements	\$796,543	\$223,957		\$1,020,500
Sanitary sewer improvements	\$1,109,947	\$312,073		\$1,422,020
Storm drainage improvements	\$817,228	\$229,772		\$1,047,000
Other soft and miscellaneous costs	\$284,376	\$79,957		\$364,333
Subtotal	\$11,197,811	\$3,148,382		\$14,346,193
<u><i>Phase #1 Projects</i></u>				
Road improvements	\$0	\$2,543,000		\$2,543,000
Water distribution system improvements	\$0	\$1,097,000		\$1,097,000
Sanitary sewer improvements	\$0	\$1,003,000		\$1,003,000
Storm drainage improvements	\$0	\$0		\$0
Other soft and miscellaneous costs	\$0	\$194,000		\$194,000
Subtotal	\$0	\$4,837,000		\$4,837,000
Estimated Bond issue costs	\$3,050,327	\$2,066,400		\$5,116,727
Total Uses	\$14,248,138	\$10,051,782		\$24,299,920

Notes: Phase #1 Improvements include the Phase #1 Projects described in Section III.C plus the estimated \$3,148,382 pro rata share of the Major Improvements allocated to Phase #1.

The Phases #2 - 7 Major Improvement Bonds shown in Table IV-A are anticipated to be issued in 2018. The Phases #2 - 7 Major Improvement Bonds to be issued in 2018 will be used to pay and/or reimburse the Developer for a portion of the costs of Phases #2 - 7 Major Improvements.

The Phase #1 Improvement Bonds shown in Table IV-A are anticipated to be issued in 2018. The Phase #1 Improvement Bonds to be issued in 2018 will be used to pay and/or reimburse the Developer for a portion of the costs of the Phase #1 Improvements and the pro rata share of the Major Improvements.

As Future Phases are developed, additional Bonds will be issued for each new future phase improvements. Phased PID Bonds for Phase #2 will be issued to finance the Authorized Improvements required for Phase #2, Phased PID Bonds for Phase #3 will be issued to finance the Authorized Improvements required for Phase #3 and so on as each future phase is developed. Each Phased PID Bond may also be issued in one or more series of Bonds.

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

Table IV-B
Annual Projected Costs, Annual Projected Indebtedness and Five Year Projected Service Plan

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds	Projected Five Year Annual Installments - Phase #1 ^a	Projected Five Year Annual Installments - Phases #2 – 7 ^b
2018	\$24,299,920	\$23,350,000	\$949,920	\$608,300	\$897,188
2019	\$0	\$0	\$0	\$609,000	\$897,888
2020	\$0	\$0	\$0	\$749,714	\$1,098,602
2021	\$0	\$0	\$0	\$752,042	\$1,101,830
2022	\$0	\$0	\$0	\$748,785	\$1,099,135
Total	\$24,299,920	\$23,350,000	\$949,920	\$3,467,841	\$5,094,641

(a) – See Appendix F for detail breakdown of the Phase #1 Annual Installments for each year. (b) - See Appendix E for detail breakdown of the Phases #2 – 7 Major Improvement Annual Installments for each year.

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Major Improvements shown in Table III-A, the Phase #1 Improvements shown in Table III-B, and the costs associated with setting up the PID and bond issuance costs including reserves shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer. As Future Phases are developed, in association with issuing Phased PID Bonds for each Future Phase, this Table IV-B will be updated to identify the Authorized Improvements to be financed by each new series of the Phased PID Bonds and the projected indebtedness resulting from each additional series of the Phased PID Bonds.

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Section V ASSESSMENT PLAN

A. Introduction

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

The proposed bond issuance program entails a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Phase #1 Bonds and the Phases #2 - 7 Major Improvement Bonds to be issued in 2018, subsequent financings are to be issued over the upcoming decade as the subsequent phases (e.g. Phases #2 and #3) of the development are gradually constructed.

The purpose of this gradual issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The 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 Bonds when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

Additionally, phased issuance of debt will maintain a prudent value to lien ("VtL") within the financing program. In order to maintain a prudent VtL, the initial issuance of bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt 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 special 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.

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

1. The Major Improvement and Phase #1 Improvement costs shall be allocated on the basis of the relative value of Parcels once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The City Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and

receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council has taken into consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home process provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the Authorized Improvements.

3. The Assessed Property is classified into different Lot Types as described in Appendix D based on the type and size of proposed development on each Parcel.
4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.
5. The Major Improvement costs are proportionally allocated to the Phases #2 - 7 Major Improvement Assessed Property and the Phase #1 Assessed Property based on the ratio of total projected Equivalent Units for the Phases #2 - 7 Major Improvement Assessed Property and the Phase #1 Assessed Property.
6. The Phases #2 - 7 Major Improvement Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2 - 7 Major Improvement Assessed Property based on the total projected Equivalent Units for each Parcel.
7. The Phase #1 Improvement costs (including Phase #1 Assessed Property's proportional share of the costs of the Major Improvements) are allocated to each Parcel within the Phase #1 Assessed Property based on the total Equivalent Units for each Parcel.

Table V-A provides the estimated allocation of costs of the Authorized Improvements constituting Major Improvements and Phase #1 Improvements.

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

In connection with the issuance of Phased PID Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Phased PID Bonds issued with respect to that Future Phase. Prior to assessing Parcels located within Future Phases in connection with issuance of Phased PID Bonds, 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 Major Improvements and Phase #1 Improvements, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Phase #1 Assessed Property and Phases #2 - 7 Major Improvement Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Major Improvements and Phase #1 Improvements to Parcels in a manner that results in equal shares of the Actual Costs

of such improvements being apportioned to Parcels similarly benefited. The determination 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.

As Future Phases are developed, in connection with the issuance of Phased PID Bonds this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Phase.

B. Special Benefit

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

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

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

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

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

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

exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

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

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

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the costs of the Authorized Improvement through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,
6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. Allocation of Costs to Assessed Property

The Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Major Improvement costs must be allocated throughout all Assessed Property in the District. Table V-A summarizes the allocation of estimated costs for each Major Improvement. The costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

As shown in Appendix D, Phase #1 is projected to contain 330 residential units representing 254.02 total Equivalent Units. Phases #2 - 7 are projected to contain 1,198 residential units representing total Equivalent Units of 903.47, resulting in total Equivalent Units of 1,157.49 within the PID. As a result, 21.95 percent of the estimated costs of Major Improvements (i.e. $254.02 \div 1,157.49 =$

21.95%) are allocated to the Phase #1 Assessed Property and 78.05 percent of the estimated costs Major Improvements (i.e., $903.47 \div 1,157.49 = 78.05\%$) are allocated to the Phases #2 - 7 Major Improvement Assessed Property. The Phases #2 - 7 Major Improvement Bonds will fund the proportionate share of the estimated costs of the Major Improvements allocated to Phases #2 - 7 and Phase #1 Bonds will fund Phase #1's proportionate share of the estimated costs of the Major Improvements and the remaining Phase #1 Improvements. One hundred percent (100%) of the Phase #1 Improvements are allocated to the Phase #1 Assessed Property.

Table V-A
Allocation of Major Improvement Costs

Major Improvement Estimated Costs	
Authorized Improvement	Estimated Costs
Road Improvements including Right-of-Way	\$10,492,340
Water Improvements	\$1,020,500
Sanitary Sewer Improvements	\$1,422,020
Storm Drainage Improvements	\$1,047,000
Other soft and miscellaneous costs	\$364,333
Total Major Improvements	\$14,346,193
Phase #1	
Projected total Equivalent Units	254.02
% of total units	21.95%
Proportionate Share of Costs	\$3,148,382
Phases #2 - 7	
Projected total Equivalent Units	903.47
% of total units	78.05%
Proportionate Share of Costs	\$11,197,811

D. Assessment Methodology

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

1. Assessment Methodology for the Major Improvements for Phases #2 - 7

For purpose of this Service and Assessment Plan, the City Council determined that the portion of the Major Improvement costs to be allocated to Phases #2 - 7 shall be allocated to the Phases #2 - 7 Major Improvement Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units anticipated to be developed on each Parcel as calculated

and shown in Appendix D using the types and number of lots anticipated to be developed on each Parcel within Phases #2 - 7. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Based on the estimates of the costs of the Major Improvements, as set forth in Table III-A, the City Council has determined that the benefit to Phases #2 - 7 Major Improvement Assessed Property of the Phases #2 - 7 proportional share of the Major Improvements is at least equal to the Assessments levied on the Phases #2 - 7 Major Improvement Assessed Property.

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

The Assessment and Annual Installments for each Parcel or Lot located within Phases #2 - 7 is shown on the Phases #2 - 7 Major Improvement Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. *Assessment Methodology for Phase #1*

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

Based on the estimates of the costs of the Phase #1 Improvements, as set forth in Table III-B, the City Council has determined that the benefit to Phase #1 Assessed Property of the Phase #1 Improvements (including Phase #1's proportional share of the Major Improvements) is at least equal to the Assessments levied on the Phase #1 Assessed Property.

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

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

3. *Assessment Methodology for Future Phases*

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

E. Assessments

The Assessments for the Phases #2 - 7 Major Improvement Bonds and the Phase #1 Bonds will be levied on each Parcel according to the Phases #2 - 7 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, attached hereto as Appendix E and Appendix F, respectively.

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #1 Bonds, which represents the total Assessment to be allocated on all Parcels within Phase #1, is \$9,555,000. As shown in Appendix D, there are a total of 330 residential units representing a total of 254.02 estimated Equivalent Units for the residential development in Phase #1, resulting in a Maximum Assessment per Equivalent Unit of \$37,615.15 for Phase #1.

The Assessment per dwelling unit is calculated as the product of (i) \$37,615.15 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (74 Ft Lot) dwelling unit is \$37,615.15 (i.e. $\$37,615.15 \times 1.00$). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$30,468.27 (i.e. $\$37,615.15 \times 0.81$). Table V-1 sets forth the Assessment per dwelling unit for each of the three Lot Types in Phase #1.

Table V-1
Maximum Assessment per Unit - Phase #1

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor ¹	Assessment per Unit	Total Assessments
Lot Type 1 (74' Lot)	43	\$37,615.15	1.00	\$37,615.15 per dwelling unit	\$1,617,451
Lot Type 2 (60' Lot)	122	\$37,615.15	0.81	\$30,648.27 per dwelling unit	\$3,717,129
Lot Type 3 (50' Lot)	165	\$37,615.15	0.68	\$25,578.30 per dwelling unit	\$4,220,420
Total	330				\$9,555,000

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

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

Table V-2
Projected Leverage – Phase #1

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (74' Lot)	43	\$118,400	\$592,000	\$37,615	3.15	15.74
Lot Type 2 (60' Lot)	122	\$96,000	\$480,000	\$30,648	3.15	15.75
Lot Type 3 (50' Lot)	165	\$80,000	\$400,000	\$25,578	3.13	15.64
Total	330					

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

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

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
Lot Type 1 (74' Lot)	43	\$118,400	\$592,000	\$2,956	\$2.50	\$0.50
Lot Type 2 (60' Lot)	122	\$96,000	\$480,000	\$2,394	\$2.49	\$0.50
Lot Type 3 (50' Lot)	165	\$80,000	\$400,000	\$2,010	\$2.51	\$0.50
Total	330					

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phases #2 - 7 Major Improvement Bonds, which represents the total Assessment to be allocated on all Parcels within Phases #2 - 7, is \$13,795,000. As shown in Appendix D, there are a total of 1,198 residential units representing a total of 903.47 estimated Equivalent Units for the residential development in Phases #2 - 7, resulting in an Assessment per Equivalent Unit of \$15,268.91 for Phases #2 - 7.

The Assessment per dwelling unit is calculated as the product of (i) \$15,268.91 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (74 Ft Lot) dwelling unit is \$15,268.91 (i.e. \$15,268.91 $\times$ 1.00). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is \$12,367.82 (i.e. \$15,268.91 $\times$ 0.81). Table V-4 sets forth the Assessment per dwelling unit for each of the three Lot Types in Phases #2 - 7.

Table V-4
Assessment per Unit - Phases #2 - 7

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor ¹	Assessment per Unit	Total Assessments
Lot Type 1 (74' Lot)	109	\$15,268.91	1.00	\$15,268.91 per dwelling unit	\$1,664,311
Lot Type 2 (60' Lot)	415	\$15,268.91	0.81	\$12,367.82 per dwelling unit	\$5,132,643
Lot Type 3 (50' Lot)	674	\$15,268.91	0.68	\$10,382.86 per dwelling unit	\$6,998,046
Total	1,198				\$13,795,000

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

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

Table V-5
Projected Leverage – Phases #2 - 7

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (74' Lot)	109	\$118,400	\$592,000	\$15,269	7.75	38.77
Lot Type 2 (60' Lot)	415	\$96,000	\$480,000	\$12,368	7.76	38.81
Lot Type 3 (50' Lot)	674	\$80,000	\$400,000	\$10,383	7.71	38.53
Total	1,198					

The projected tax rate equivalent per unit calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-6 below.

Table V-6
Estimated Tax Rate Equivalent per unit – Phases #2 - 7

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
Lot Type 1 (74' Lot)	109	\$118,400	\$592,000	\$1,202	\$1.02	\$0.20
Lot Type 2 (60' Lot)	415	\$96,000	\$480,000	\$974	\$1.01	\$0.20
Lot Type 3 (50' Lot)	674	\$80,000	\$400,000	\$818	\$1.02	\$0.20
Total	1,198					

The Annual Installments for the Phases #2 - 7 Major Improvement Bonds and the Phase #1 Bonds will be collected at the time and in the amounts shown on the Phases #2 - 7 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, respectively, subject to any revisions made during an Annual Service Plan Update.

F. Administrative Expenses

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

G. Additional Interest

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%) (the “Additional Interest”). The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with the Additional Interest component of the Annual Installments allocated to fund a reserve to be used for paying prepayment and delinquency related costs (the “Prepayment and Delinquency Reserve”). The Prepayment and Delinquency Reserve shall be funded until it reaches 5.50% of the outstanding Bonds as stipulated in the Bond documents. Once the Prepayment and Delinquency Reserve is funded in full, the City may allocate the Additional Interest component of the Annual Installments as provided in the Trust Indenture.

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Section VI TERMS OF THE ASSESSMENTS

A. Amount of Assessments and Annual Installments for Parcels Located within Phases #2 - 7

The Assessment and Annual Installments for each Assessed Property located within Phases #2 - 7 are shown on the Phases #2 - 7 Major Improvement 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 Phases #2 - 7 Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phases #2 - 7 Major Improvement Bonds, (ii) the Additional Interest to fund the Prepayment and Delinquency Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and other available funds.

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

The Assessment and Annual Installments for each Assessed Property located within Phase #1 is shown on the Phase #1 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 Phase #1 Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phase #1 Bonds, (ii) the Additional Interest to fund the Prepayment and Delinquency Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and other available funds.

C. Amount of Assessments and Annual Installments for Parcels Located Within Future Phases

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for phase #2, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

D. Reallocation of Assessments

1. Subdivision

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

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

Where the terms have the following meanings:

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

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

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

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

E. Mandatory Prepayment of Assessments

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.
2. If at any time the Assessment per Unit on a Parcel exceeds the applicable Maximum Assessment per Unit calculated in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Unit for the Parcel exceeds the applicable Maximum Assessment per Unit calculated in this Service and Assessment Plan.
3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

F. Reduction of Assessments

1. If after all Authorized Improvements to be funded with a series of Bonds have been completed and Actual Costs for such Authorized Improvements are less than the estimated costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Collection Costs, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Collection Costs. The Principal Portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the Bonds is equal to the outstanding principal amount of the Bonds.

G. Payment of Assessments

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include interest through the date of the prepayment and applicable Prepayment Costs.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus interest through the date of prepayment and applicable Prepayment Costs may be paid in part. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such

Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

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

Each Assessment shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds. The Phases #2 - 7 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated interest rate of 5.75% and additional interest at the rate of 0.5% for Administrative Expenses or the Additional Interest to fund the Prepayment and Delinquency Reserve. The Phase #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated interest rate of 5.50%, and the Additional Interest at the rate of 0.5% to fund Prepayment and Delinquency Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls will be updated with the actual interest rates on the Bonds, as shown as Appendix E and Appendix F.

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

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

H. Collection of Annual Installments

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

other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

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

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Section VII THE ASSESSMENT ROLL

A. Phases #2 – 7 Major Improvement Assessment Roll

Each Parcel within Phases #2 - 7 has been evaluated by the City Council (based on the concept plan, developable area, proposed Homeowner Association Property and Public Property, the Major Improvements, best and highest use of land, and other development factors deemed relevant by the City Council) to determine the Assessed Property within each Parcel.

Phases #2 - 7 Major Improvement Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Major Improvements. Table IV-A summarizes the \$14,248,138 in special benefit received by Phases #2 - 7 from a portion of the Major Improvements, the pro rata costs of the PID formation, and bond issuance costs for the proposed Phases #2 - 7 Major Improvement Bonds. The amount of Phases #2 - 7 Major Improvement Bonds is \$13,795,000, which is less than the benefit received by Phases #2 - 7 Major Improvement Assessed Property, and as such the total Assessment for all Assessed Property within Phases #2 - 7 is \$13,795,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within the Phases #2 - 7 is calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phases #2 - 7 Major Improvement Assessment Roll is attached hereto as Appendix E.

B. Phase #1 Assessment Roll

Phase #1 Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Phase #1 Improvements that benefit Phase #1, which include a proportionate share of the Major Improvements allocable to Phase #1. Table IV-A summarizes the \$10,051,782 in special benefit received by Phase #1 Assessed Property from the Phase #1 Improvements that benefit Phase #1, including the proportionate share of the Major Improvements allocable to Phase #1, the pro rata costs of the PID formation, and bond issuance costs for the proposed Phase #1 Bonds. The total amount of Phase #1 Bonds is \$9,555,000, which is less than the benefit received by Phase #1 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #1 is \$9,555,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within Phase #1 is calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phase #1 Assessment Roll is attached hereto as Appendix E.

C. Future Phase Assessment Roll

As Future Phases are developed, this Service and Assessment Plan will be updated to determine the Assessment for each Parcel located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for Phase #2, etc.).

D. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phases #2 - 7 Major Improvement Assessment Roll and Phase #1 Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with

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

Once Bonds are issued, the Assessment Rolls shall be updated, which update may be done in the next Annual Service Plan Update, to reflect any changes resulting from the issuance of the Bonds. This update shall reflect the actual interest on the 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 Bonds and Developer funds.

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Section VIII MISCELLANEOUS PROVISIONS

A. Administrative Review

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

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

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

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

B. Termination of Assessments

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

C. Amendments

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

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

(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. Administration and Interpretation of Provisions

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act, and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust 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 Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

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

Appendix A

The PID MAP AND LEGAL DESCRIPTIONS

Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Appendix C

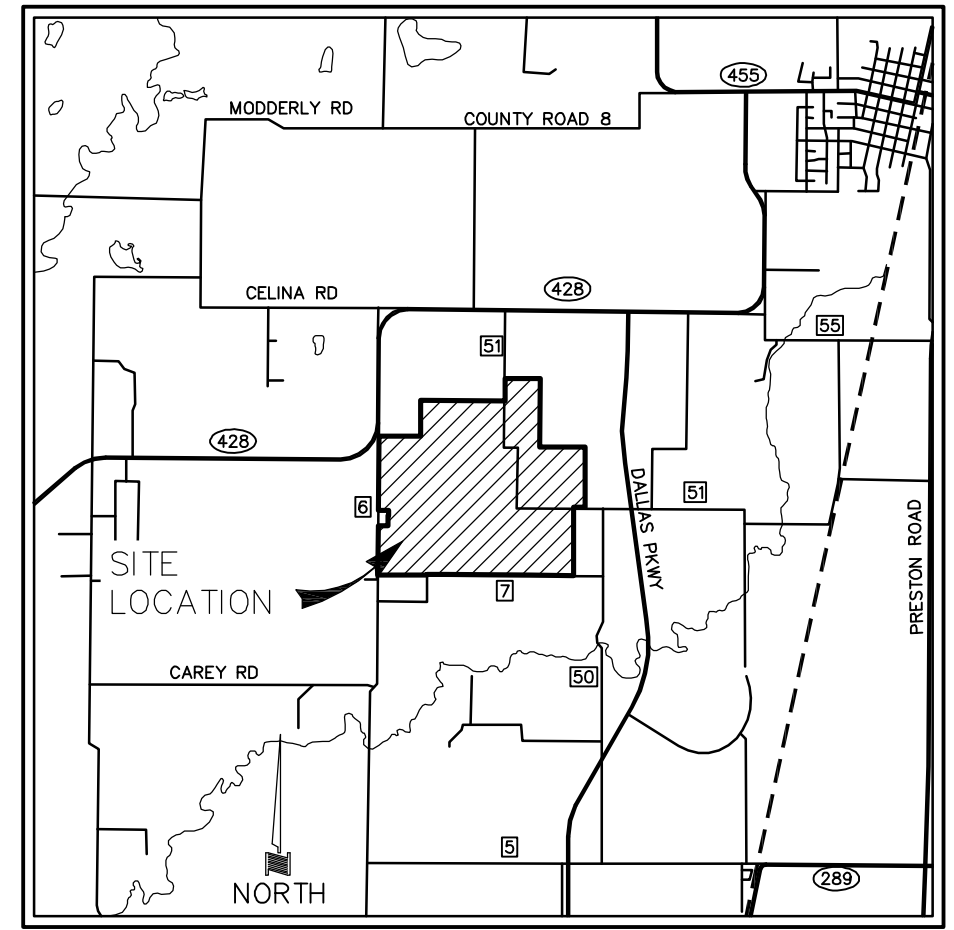
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

Appendix D

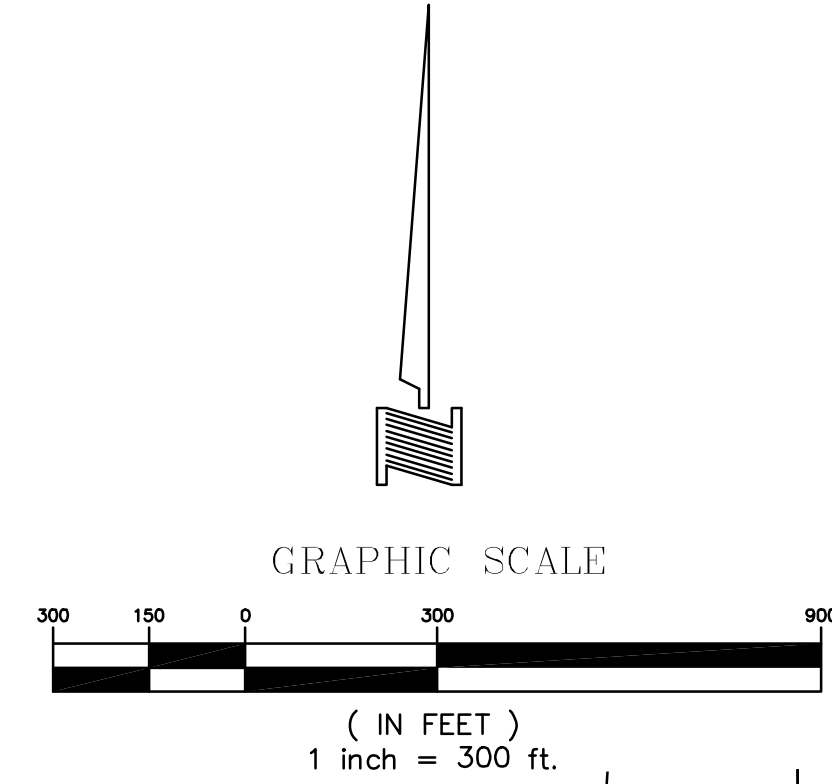
LOT TYPES AND EQUIVALENT UNITS

Appendix A

The PID MAP AND LEGAL DESCRIPTIONS



LOCATION MAP
NOT TO SCALE



RESIDENTIAL LOT SUMMARY									
LOT TYPE	PHASES							LOT TYPE SUMMARY	LOT TYPE %
	1	2	3	4	5	6	7		
50'	165	125	157	53	82	73	184	839	54.9
60'	122	9	67	111	121	107	0	537	35.1
74'	43	0	33	28	10	38	0	152	10.0
SUMMARY BY PHASE	330	134	257	192	213	218	184	1,528	-

***SUMMARY NOTE:**
RESIDENTIAL LOT TOTALS ARE APPROXIMATE AND ARE SUBJECT TO CHANGE AT FINAL ENGINEERING AND PLATTING BASED ON CURRENT MARKET DEMANDS AND CONSTRUCTION; IN THE EVENT THE FUTURE SCHOOL SITE IS NOT UTILIZED THIS AREA SHALL BE PERMITTED TO YIELD ±50 RESIDENTIAL LOTS; IN THE EVENT THE DETENTION AREAS ARE NOT UTILIZED THESE AREAS SHALL BE PERMITTED TO YIELD ±15 RESIDENTIAL LOTS; THE ULTIMATE DEVELOPMENT SHALL COMPLY WITH THE APPROVED ZONING PD.

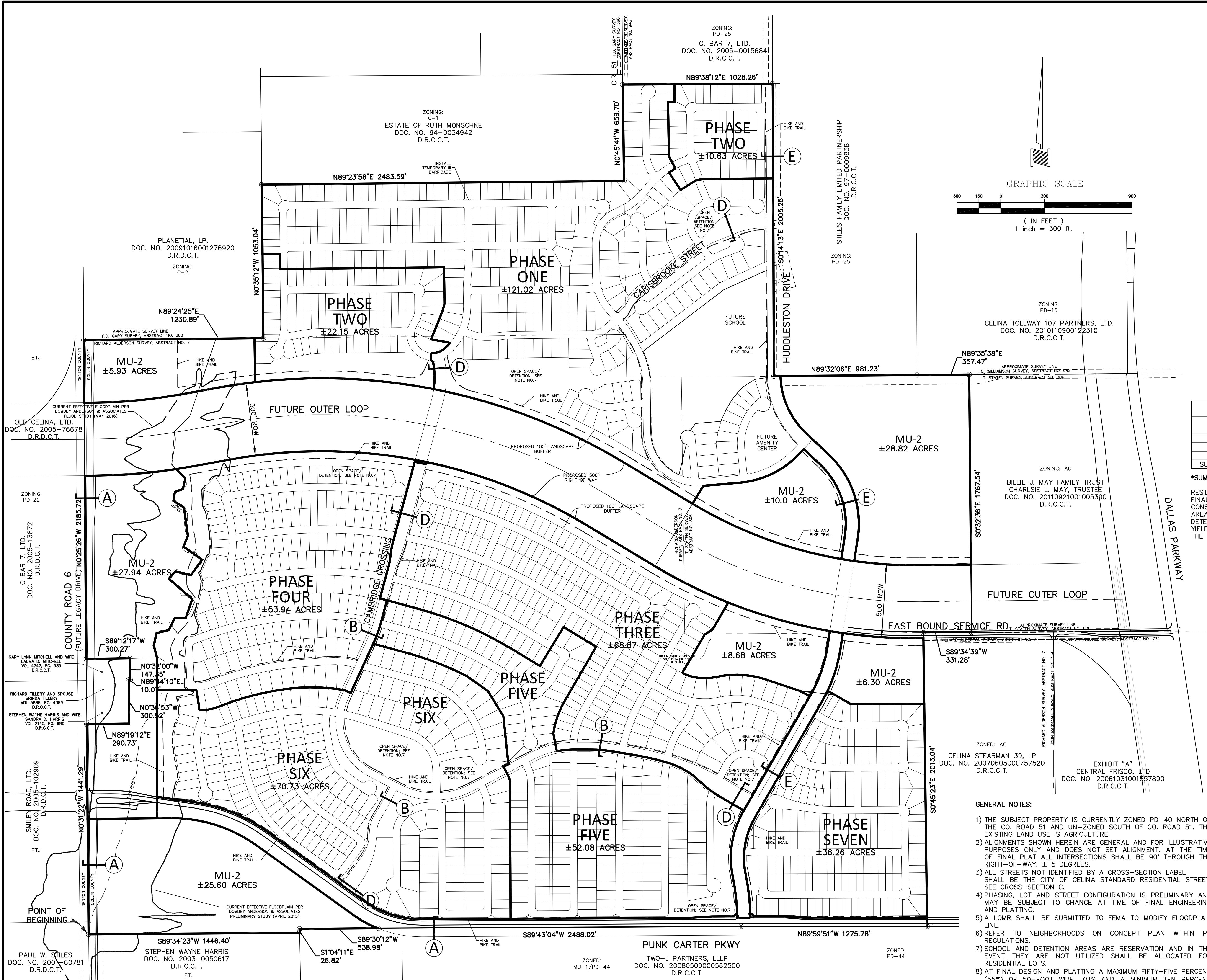
GENERAL DEVELOPMENT PLAN EXHIBIT
CAMBRIDGE CROSSING

±455.29 ACRES RESIDENTIAL
AN ADDITION TO THE CITY OF CELINA
F.D. GARY SURVEY, ABST. 360
I.C. WILLIAMSON SURVEY, ABST. 943
RICHARD ALDERSON SURVEY, ABST. 7
AND T STATEN SURVEY, ABST. 806
COLLIN COUNTY, TEXAS

APRIL, 2016 SCALE: 1"=300'

OWNER/DEVELOPER
TOLLWAY/OUTER LOOP, L.P.
8750 N. CENTRAL EXPRESSWAY
STE. 1735
DALLAS, TEXAS 75231
214-691-2556
CONTACT: MATT ALEXANDER P.E.

ENGINEER/SURVEYOR
DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10077800
CONTACT : MICHAEL DOWDEY P.E.



- GENERAL NOTES:**
- 1) THE SUBJECT PROPERTY IS CURRENTLY ZONED PD-40 NORTH OF THE CO. ROAD 51 AND UN-ZONED SOUTH OF CO. ROAD 51. THE EXISTING LAND USE IS AGRICULTURE.
 - 2) ALIGNMENTS SHOWN HEREIN ARE GENERAL AND FOR ILLUSTRATIVE PURPOSES ONLY AND DOES NOT SET ALIGNMENT. AT THE TIME OF FINAL PLAT ALL INTERSECTIONS SHALL BE 90° THROUGH THE RIGHT-OF-WAY, ± 5 DEGREES.
 - 3) ALL STREETS NOT IDENTIFIED BY A CROSS-SECTION LABEL SHALL BE THE CITY OF CELINA STANDARD RESIDENTIAL STREET; SEE CROSS-SECTION C.
 - 4) PHASING, LOT AND STREET CONFIGURATION IS PRELIMINARY AND MAY BE SUBJECT TO CHANGE AT TIME OF FINAL ENGINEERING AND PLATTING.
 - 5) A LOMR SHALL BE SUBMITTED TO FEMA TO MODIFY FLOODPLAIN LINE.
 - 6) REFER TO NEIGHBORHOODS ON CONCEPT PLAN WITHIN PD REGULATIONS.
 - 7) SCHOOL AND DETENTION AREAS ARE RESERVATION AND IN THE EVENT THEY ARE NOT UTILIZED SHALL BE ALLOCATED FOR RESIDENTIAL LOTS.
 - 8) AT FINAL DESIGN AND PLATTING A MAXIMUM FIFTY-FIVE PERCENT (55%) OF 50-FOOT WIDE LOTS AND A MINIMUM TEN PERCENT (10%) OF 70-FOOT WIDE LOTS SHALL BE ALLOTTED.

LEGAL DESCRIPTION

BEING a tract of land situated in the RICHARD ALDERSON SURVEY, ABSTRACT NO. 7, F.D. GARY SURVEY, ABSTRACT NO. 360, T. STATEN SURVEY, ABSTRACT NO. 806, and the I.C. WILLIAMSON SURVEY, ABSTRACT NO. 943, Collin County, Texas, and being all of that tract of land conveyed to Godwin Investments, LTD., according to the document filed of record in Document Number 20070205000163510 and 20130401000422650, Deed Records, Collin County, Texas, and being all of that tract of land conveyed to Jerry Glen Hansel and wife, Sally Haggard Hansel, according to the document filed of record in Document Number 92-0077846, Deed Records, Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod with a red plastic cap found in the approximate center line of Legacy Drive, a variable width right-of-way, (also known as County Road No. 6) for the southwest corner of said Godwin Investments, LTD. tract, recorded in Document 20130401000422650, same being the northwest corner of a tract of land conveyed to Stephen Wayne Harris, according to the document filed of record in Document Number 2003-0050617, Deed Records, Collin County, Texas, same being the northeast corner of a tract of land conveyed to Paul W. Stiles, according to the document filed of record in Document Number 2001-60781, Deed Records, Denton County, same being the southeast corner of a tract of land conveyed to Smiley Road, LTD., according to the document filed of record in Document Number 2005-102909, Deed Records, Denton County, Texas;

THENCE North 00° 31' 22" West, with the common west line of said Godwin tract and east line of said Smiley Road tract, a distance of 1,441.29 feet to a 1/2 inch iron rod with a red plastic cap found for the southwest corner of a tract of land conveyed to Stephen W. Harris and wife, Sandra D. Harris, according to the document filed of record in Volume 3399, Page 27, Deed Records, Collin County, Texas;

THENCE North 89° 19' 12" East, with the south line of said Harris tract, a distance of 290.73 feet to a 1/2 inch iron rod with a yellow plastic cap stamped DAA set for the southeast corner of said Harris tract;

THENCE North 00° 36' 53" West, a distance of 300.52 feet to a 1/2 inch iron rod found in the south line of a tract of land conveyed to Gary Lynn Mitchell and wife, Laura D. Mitchell, according to the document filed of record in Volume 4747, Page 939, Deed Records, Collin County, and being the northeast corner of a tract of land conveyed to Richard Tillery and Spouse, Brinda Tillery, as recorded Volume 5835, Page 4358, Deed Records, Collin County, Texas;

THENCE North 89° 44' 10" East, with the south line of said Mitchell tract, a distance of 10.07 feet to a 1/2 inch iron rod with an orange plastic cap found for the southeast corner of said Mitchell tract;

THENCE North 00° 32' 00" West, with the east line of said Mitchell tract, a distance of 147.35 feet to a 1/2 inch iron rod with an orange plastic cap found in the south line of the above mentioned Godwin tract recorded in Document Number 20070205000163510 and being the common northeast corner of said Mitchell tract and northwest corner of said Godwin tract recorded in Document Number 20130401000422650;

THENCE South 89° 12' 17" West, leaving said common corner and with the north line of said Mitchell tract, passing at a distance of 270.26 feet, a 1/2 inch iron rod with an orange plastic cap found for reference and continuing for a total distance of 300.27 feet to a 3/8 inch iron rod found in the east line of a tract of land conveyed to G Bar 7, LTD., according to the document filed of record in Document Number 2005-13872, Deed Records, Collin County, Texas, and being the common southwest corner of said Godwin tract recorded in Document Number 20070205000163510 and the northwest corner of said Mitchell tract;

THENCE North 00° 25' 26" West, leaving said common corner and with the common west line of said Godwin tract and east line of said G Bar 7, LTD. tract, a distance of 2,185.72 feet to a 3/8 inch iron rod found for the common most westerly northwest corner of said Godwin tract and southwest corner of a tract of land conveyed to Planetial, LP, according to the document filed of record in Document Number 20091016001276920, Deed Records, Collin County, Texas;

THENCE North 89° 24' 25" East, leaving said common corner and with the south line of said Planetial, LP tract, a distance of 1,230.89 feet to a 5/8 inch iron rod with a yellow plastic cap found for the southeast corner of said Planetial, LP tract;

THENCE North 00° 35' 12" West, with the east line of said Planetial, LP tract, a distance of 1,053.04 feet to a 1/2 inch iron rod found for the common northwest corner of the said Godwin tract and southwest corner of a tract of land conveyed to Hardy Burke, according to the document filed of record in Document Number 94-0034942, Deed Records, Collin County, Texas;

THENCE North 89° 23' 58" East, leaving said east line and with the common north line of said Godwin tract and south line of said Hardy Burke tract, a distance of 2,483.59 feet to a 1/2 inch iron rod found with a yellow plastic cap found for the southeast corner of said Hardy Burke tract;

THENCE North 00° 45' 41" West, with the east line of said Hardy Burke tract, a distance of 659.70 feet to a 1/2 inch iron rod with a yellow plastic cap found for the southwest corner of a tract of land conveyed to G Bar 7, LTD, according to the document filed of record in Document Number 2005-0015684, Deed Records, Collin County, Texas;

THENCE North 89° 38' 12" East, leaving said east line and with the common north line of said Godwin tract and south line of said G Bar 7, LTD tract, a distance of 1,028.26 feet to a 1/2 inch iron rod found in the west line of a tract of land conveyed to Stiles Family Limited Partnership, according to the document filed of record in Document Number 97-0009838, Deed Records, Collin County, Texas, same being the common northeast corner of said Godwin tract and southeast corner of said G Bar 7, LTD tract;

THENCE South 00° 14' 13" East, leaving said common corner and with the common east line of said Godwin Tract and west line of said Stiles Family Limited Partnership tract, a distance of 2,005.25 feet to a 1/2 inch iron rod with a yellow plastic cap found for the southwest corner of said Stiles tract;

THENCE North 89° 32' 06" East, with the south line of said Stiles tract, a distance of 981.23 feet to a 1/2 iron rod found for the common southeast corner of said Stiles tract and southwest corner of a tract of land conveyed to Celina Tollway 107 Partnership, LTD, according to the document filed of record in Document Number 2010110900122310, Deed Records, Collin County, Texas;

THENCE North 89° 35' 38" East, leaving said common corner and with the south line of said Celina Tollway 107 Partnership, LTD tract, a distance of 357.47 feet to a 1/2 inch iron rod found for the common northeast corner of said Godwin tract and northeast corner of a tract of land conveyed to Billie J. May Family Trust, according to the document filed of record in Document Number 20110921001005300, Deed Records, Collin County, Texas;

THENCE South 00° 32' 36" East, leaving said common corner and with the common east line of said Godwin tract and west line of said Billie J. May Family Trust tract, a distance of 1,767.54 feet to a 1/2 inch iron rod found in the north line of a tract of land conveyed to Celina Stearman 39, LP, according to the document filed of record in Document Number 20070605000757520, Deed Records, Collin County, Texas, same being the common most easterly corner of said Godwin tract and the southwest corner of said Billie J. May Family Trust tract;

THENCE South 89° 34' 39" West, leaving said common corner and with the common south line of said Godwin tract and north line of said Celina Stearman 39, LP tract, a distance of 331.28 feet to a 1/2 inch iron rod with a yellow plastic cap found for the northwest corner of said Celina Stearman 39, LP tract, and being a common corner of said Godwin tract;

THENCE South 00° 45' 23" East, with the common east line of said Godwin tract and west line of said Celina Stearman 39, LP tract, a distance of 2,013.04 feet to a point for corner from which a 1/2 inch iron rod found in the north line of a tract of land conveyed to Two-J Partners, LLLP, according to the document filed of record in Document Number 20080509000562500, Deed Records, Collin County, Texas, bears North 83°12'48" West, 0.58 feet, said point being the common southeast corner of said Godwin tract and southwest corner of said Celina Stearman 39, LP tract;

THENCE North 89° 59' 51" West, leaving said common corner and with the common south line of said Godwin tract and north line of said Two-J Partners, LLP tract, a distance of 1,275.78 feet to a point for corner from which a 1/2 inch bolt found bears South 89°40'46" West, 0.40 feet, said point being the common southwest corner of said Godwin tract and southeast corner of the above mentioned Jerry Glen Hansel & Wife Sally Haggard Hansel tract;

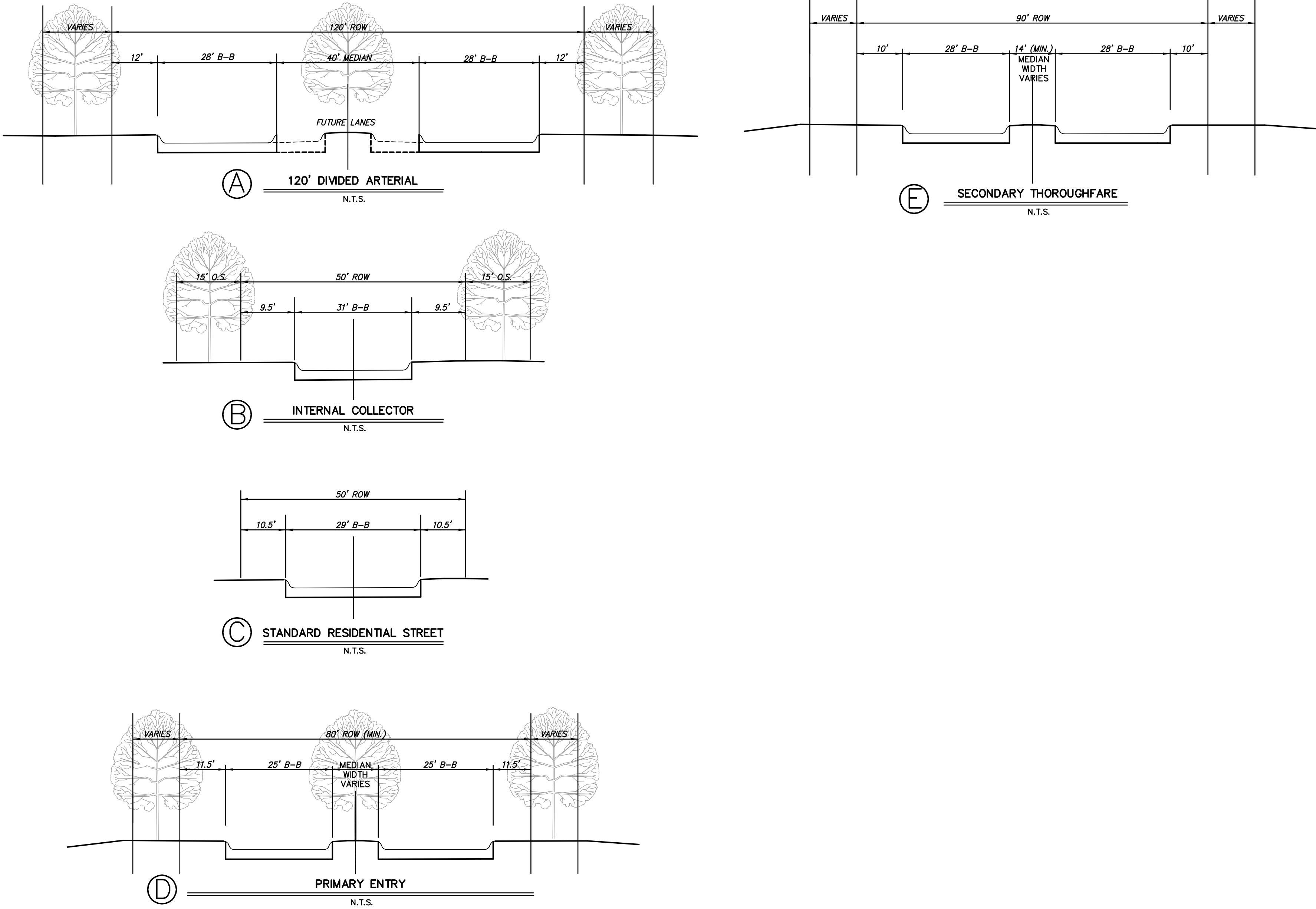
THENCE South 89° 43' 04" West, leaving said common corner and with the common south line of said Hansel tract and north line of said Two-J Partners, LLLP tract, passing at a distance of 2,477.60 feet a 5/8 inch iron rod with a red plastic cap found, continuing for a total a distance of 2,488.02 feet, for the common southwest corner of said Hansel tract and the southeast corner of the above mentioned Godwin Investments, LTD tract, recorded in Document Number 20130401000422650;

THENCE South 89° 30' 12" West, leaving said common corner and with the common south line of said Godwin tract, recorded in Document Number 20130401000422650 and north line of said Two-J Partners, LLLP tract, a distance of 538.98 feet to a 1/2 inch iron rod with a red plastic cap found for the northwest corner of said Two-J Partners, LLLP tract;

THENCE South 01° 04' 11" East, with the west line of said Two-J Partners, LLLP tract, a distance of 26.82 feet to a 1/2 inch iron rod found for the northeast corner of the above mentioned Stephen Wayne Harris tract, for the most southerly southeast corner of said Godwin tract;

THENCE South 89° 34' 23" West, leaving said west line and with the common south line of the above mentioned Godwin tract and north line of said Harris tract, a distance of 1,446.40 feet to the POINT OF BEGINNING and containing 639.617 acres of land, more or less.

STREET CROSS SECTIONS



GENERAL DEVELOPMENT PLAN EXHIBIT
CAMBRIDGE CROSSING

±455.29 ACRES RESIDENTIAL

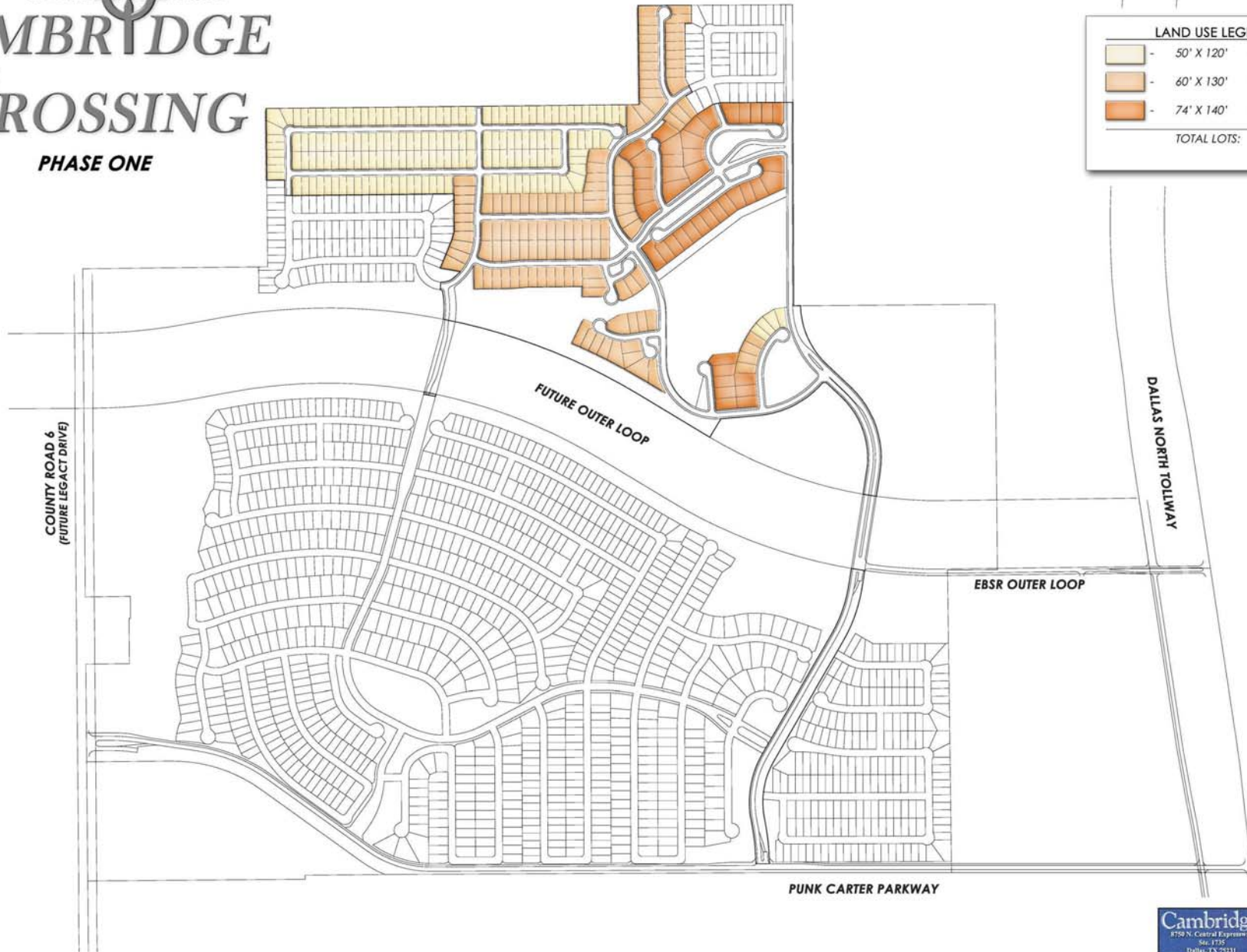
AN ADDITION TO THE CITY OF CELINA
F.D. GARY SURVEY, ABST. 360
I.C. WILLIAMSON SURVEY, ABST. 943
RICHARD ALDERSON SURVEY, ABST. 7
AND T STATEN SURVEY, ABST. 806
COLLIN COUNTY, TEXAS

APRIL, 2016 SCALE: 1"=300'

OWNER/DEVELOPER
TOLLWAY/OUTER LOOP LP
8750 N. CENTRAL EXPRESSWAY
STE. 1735
DALLAS, TEXAS 75231
214-691-2556
CONTACT: MATT ALEXANDER P.E.

ENGINEER/SURVEYOR
DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10077800
CONTACT : MICHAEL DOWDEY P.E.

CELINA TEXAS
CAMBRIDGE
CROSSING
 PHASE ONE



2018-05-11



Attachment: Cambridge Crossing PID - Draft SAP - v2.1 (Cambridge Crossing PID Assessment Public

NEERPLANNER
 WDEY, ANDERSON
 ASSOCIATES, INC.
 8750 N. Central Expressway
 Suite 1100
 Dallas, TX 75231
 Tel: 972.333.1000 Fax: 972.333.1001



This is a conceptual layout and does not necessarily depict the project as it shall finally be developed.

NOTE:

- 1) THE STREET PATTERN AND OPEN SPACE AREAS ARE FOR ILLUSTRATIVE PURPOSES AND ARE SUBJECT TO FUTURE ALTERATION DURING THE DESIGN PROCESS.
- 2) LOTS ADJACENT TO THE FLOODPLAIN MAY EXTEND INTO THE FLOODPLAIN; THE LIMITS OF THE FLOODPLAIN WILL BE DEFINED WITH FUTURE ENGINEERING PLANS.
- 3) FOR ADDITIONAL INFORMATION ON DESIGN REGULATIONS FOR EACH TYPE OF USE, PLEASE REFER TO THE PLANNED DEVELOPMENT STANDARDS.
- 4) THE OVERALL MAXIMUM NUMBER OF RESIDENTIAL LOTS SHALL BE 2000. THE MAXIMUM NUMBER OF TYPE 3 LOTS WITHIN THE "SF-R" AREA SHOWN SHALL BE 55%. THE MINIMUM NUMBER OF TYPE 1 LOTS WITHIN THE "SF-R" AREA SHOWN SHALL BE 10%.

PROPOSED LAND USE SUMMARY

SINGLE FAMILY	±376 AC (59%)
MU-2	±78 AC (12%)
OPEN SPACE	±89 AC (14%)
RIGHT-OF-WAY	±97 AC (15%)

TOTAL LAND AREA ±639 AC

NOTE:

THE ACREAGES SHOWN ABOVE ARE APPROXIMATE BASED ON THE CONCEPT PLAN AND ARE SUBJECT TO CHANGE WITH FUTURE PLATS.

LAND USE LEGEND:

SF-R	SINGLE-FAMILY RESIDENCE
MU-2	MIXED USE
Yellow	FUTURE ELEMENTARY SCHOOL
Green	OPEN SPACE

— PID BOUNDARY

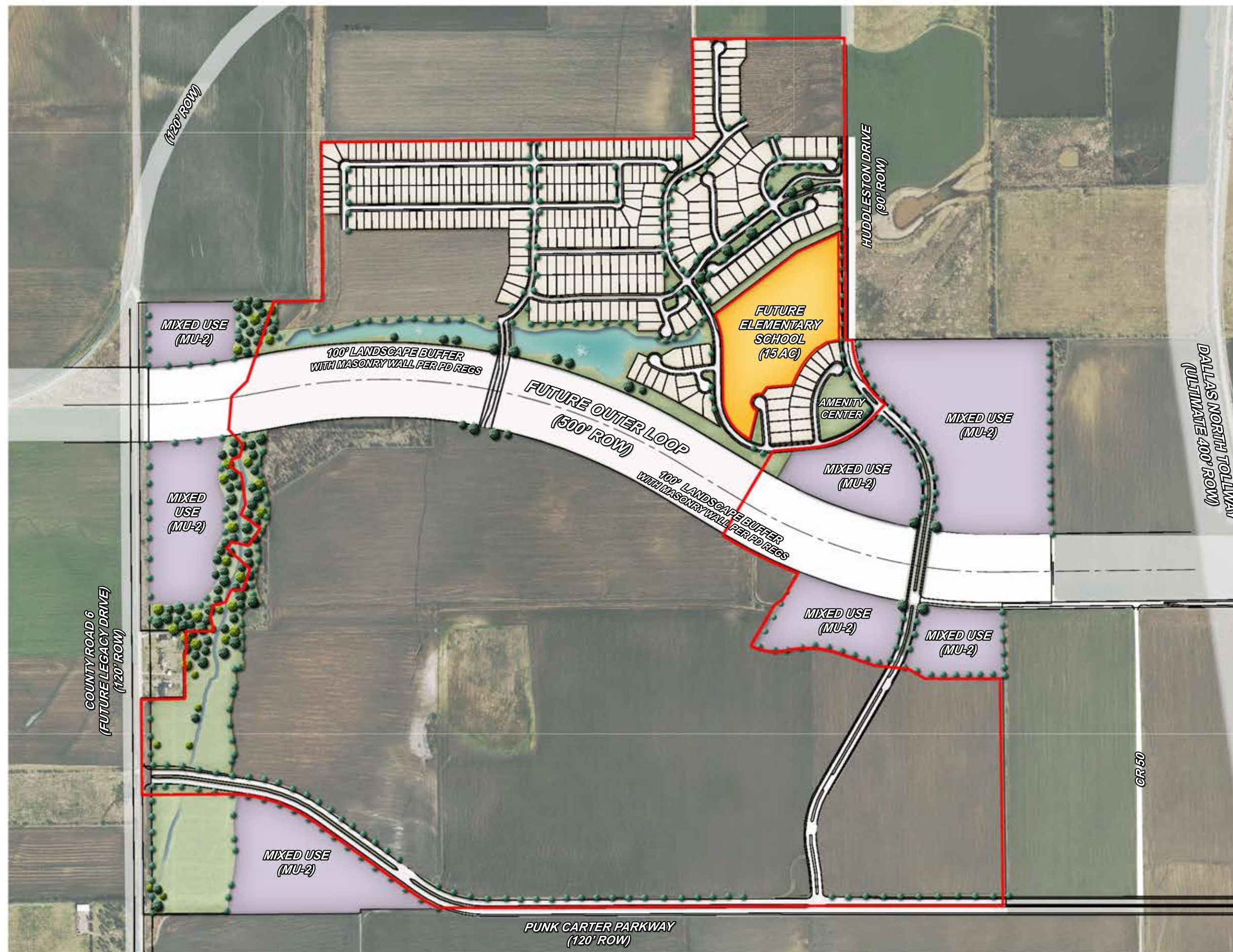
Overall

CONCEPT PLAN

CELINA TEXAS
**CAMBRIDGE
CROSSING**

Cambridge
8750 N. Central Expressway
Ste. 1735
Dallas, TX 75231

ENGINEER/PLANNER
**DOWDEY, ANDERSON
& ASSOCIATES, INC.**
3225 Village Creek Drive, Suite 200 - Plano, Texas 75093
Phone: 972.931-0094 Fax: 972.931-9538

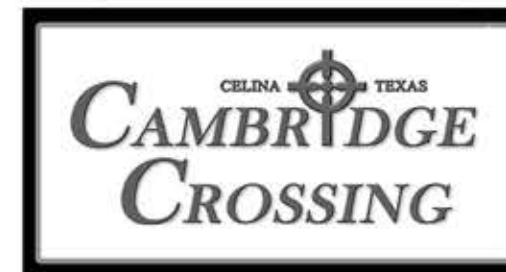


This is a conceptual layout and does not necessarily depict the project as it shall finally be developed.

— PID BOUNDARY

Phase One

CONCEPT PLAN



Cambridge
8750 N. Central Expressway
Ste. 1735
Dallas, TX 75231

ENGINEER/PLANNER
DOWDEY, ANDERSON & ASSOCIATES, INC.
3225 Village Creek Drive, Suite 200 • Plano, Texas 75093
Phone 972.931.6004 • Fax 972.931.9538

Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

CAMBRIDGE CROSSING PID ~ PHASE ONE COSTS

City of Celina, Collin County, Texas

Construction Plan Set: 04-18-2018

Total Lots: 330Total Acres: 107.675Prepared: 06/06/18Revised: ***Opinion of Probable Cost Summary***

SUMMARY	TOTAL
MAJOR IMPROVEMENTS	
WATER ~ MAJOR IMPROVEMENTS	1,020,500.00
SANITARY SEWER ~ MAJOR IMPROVEMENTS	1,422,020.00
DRAINAGE ~ MAJOR IMPROVEMENTS	1,047,000.00
ROADWAY ~ MAJOR IMPROVEMENTS	7,252,339.00
CITY, PROFESSIONAL & MISC. FEES ~ MAJOR	364,333.00
TOTAL ~ MAJOR IMPROVEMENTS	11,106,192.00
DIRECT IMPROVEMENTS	
WATER ~ DIRECT	1,097,000.00
SANITARY SEWER ~ DIRECT	1,003,000.00
ROADWAYS ~ DIRECT	2,543,000.00
CITY, PROFESSIONAL & MISC. FEES ~ DIRECT	194,000.00
TOTAL ~ DIRECT IMPROVEMENTS	4,837,000.00
GRAND TOTAL	15,943,192.00

GENERAL NOTES:

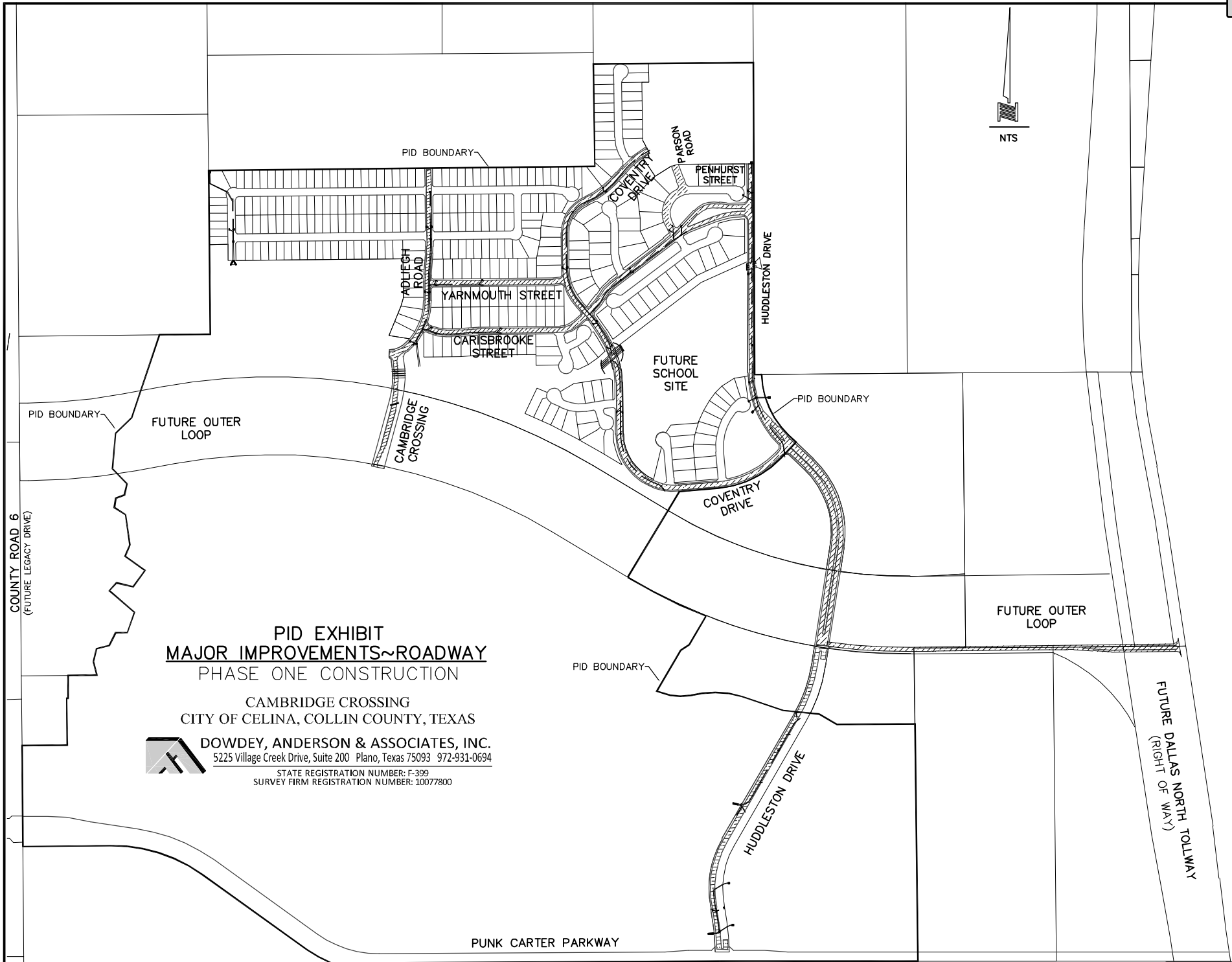
- UNIT PRICES ARE BASED ON SIMILAR PROJECTS BID IN 2015, HOWEVER SHOULD BE VERIFIED WITH A CONTRACTOR DUE TO THE VOLATILITY OF PRICES TODAY.

ESTIMATE EXCLUDES:

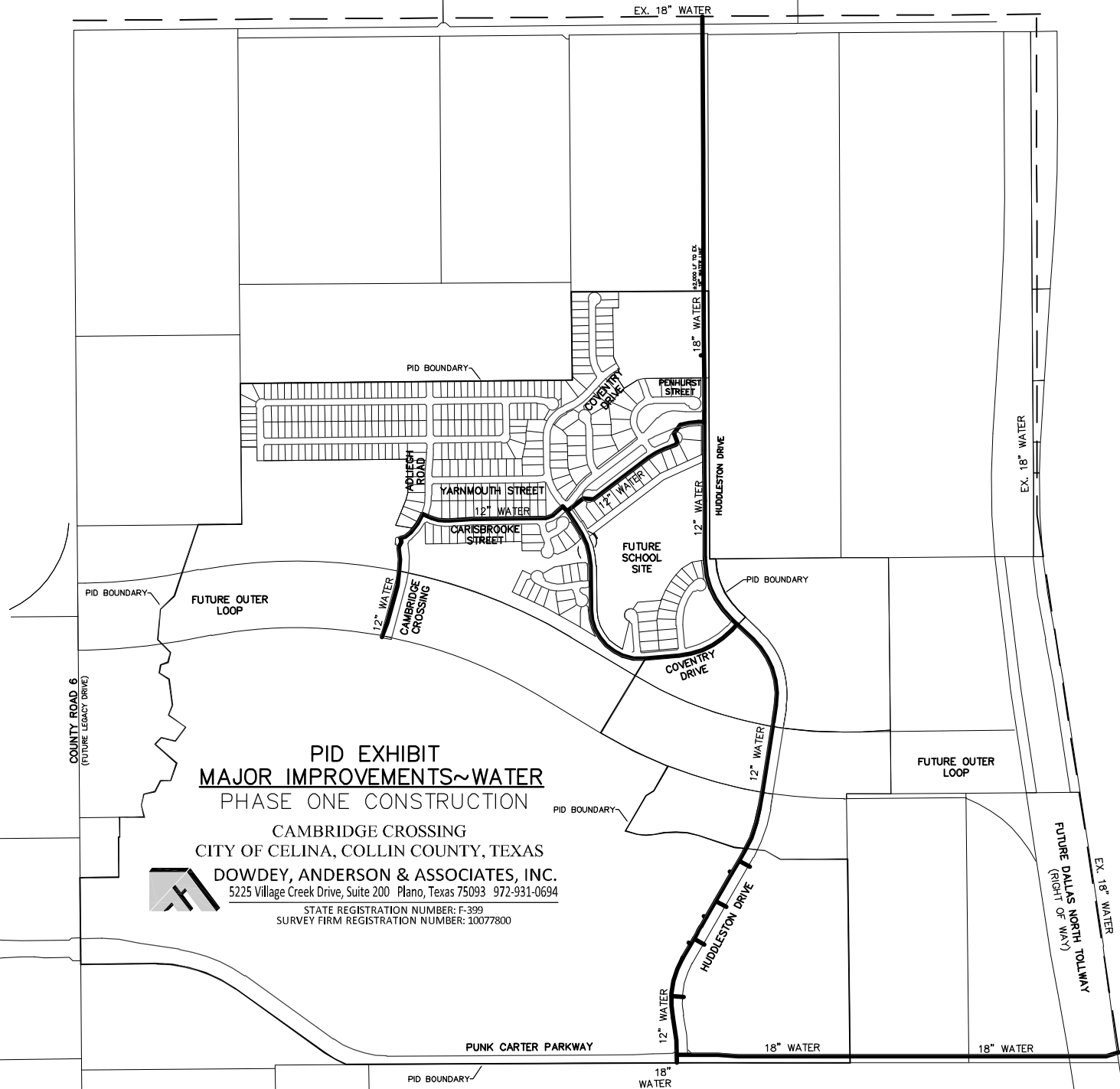
- FRANCHISE UTILITY RELOCATION AND/OR OFFSITE COSTS TO BRING SERVICE TO SITE
- ROCK EXCAVATION
- DEMOLITION OF EXISTING STRUCTURES
- REMOVAL OF EXISTING WATER WELLS OR SEPTIC SYSTEMS
- CORPS/WETLANDS MITIGATION
- EASEMENT ACQUISITION
- RIGHT-OF-WAY ACQUISITION FOR PERIMETER ROADS
- COST UNDERBRUSHING/PRUNING OF EXISTING TREES

Appendix C

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS



NTS



**PID EXHIBIT
MAJOR IMPROVEMENTS~WATER
PHASE ONE CONSTRUCTION**

CAMBRIDGE CROSSING
CITY OF CELINA, COLLIN COUNTY, TEXAS



DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694

STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10077800

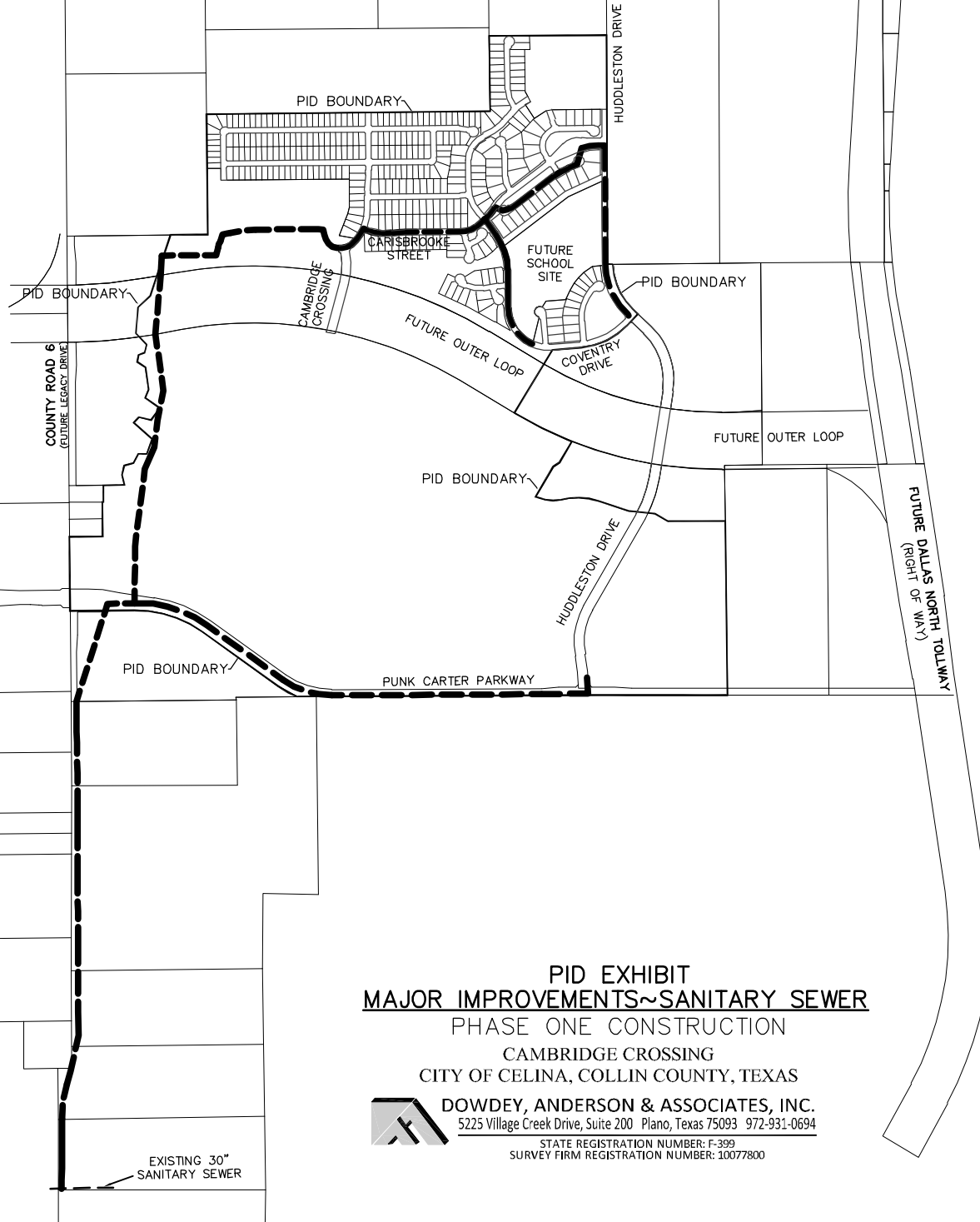


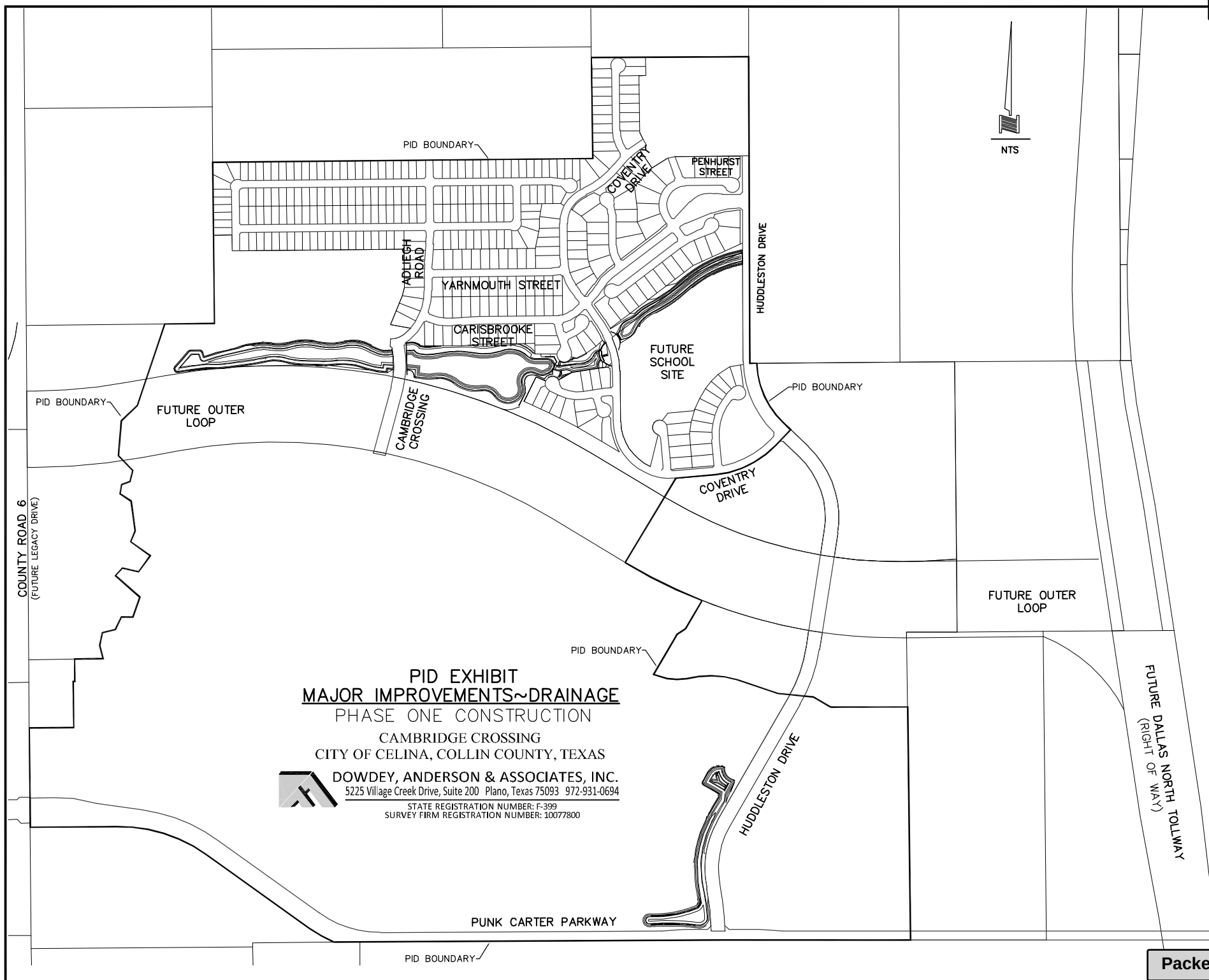
**PID EXHIBIT
MAJOR IMPROVEMENTS~SANITARY SEWER
PHASE ONE CONSTRUCTION**

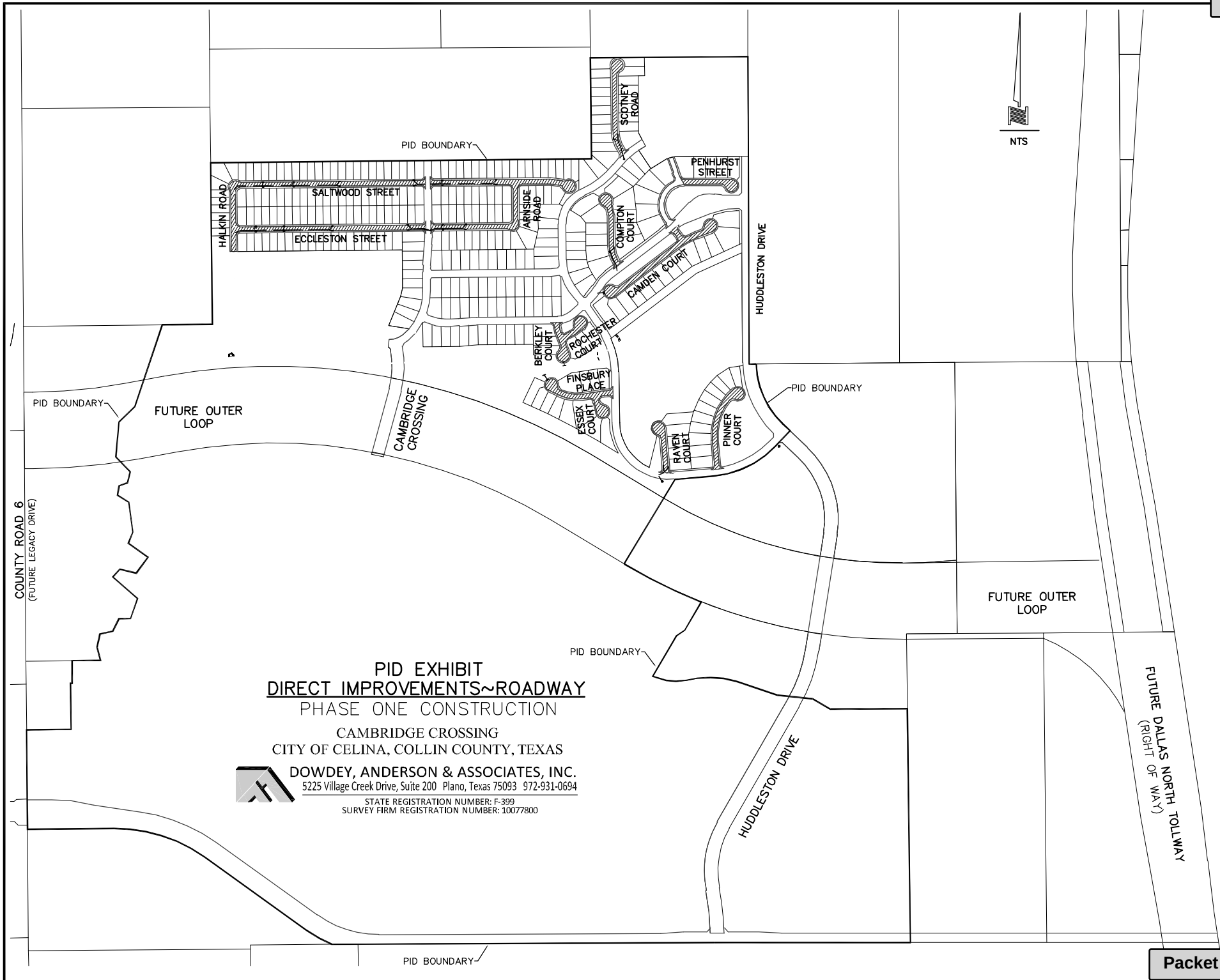
CAMBRIDGE CROSSING
CITY OF CELINA, COLLIN COUNTY, TEXAS



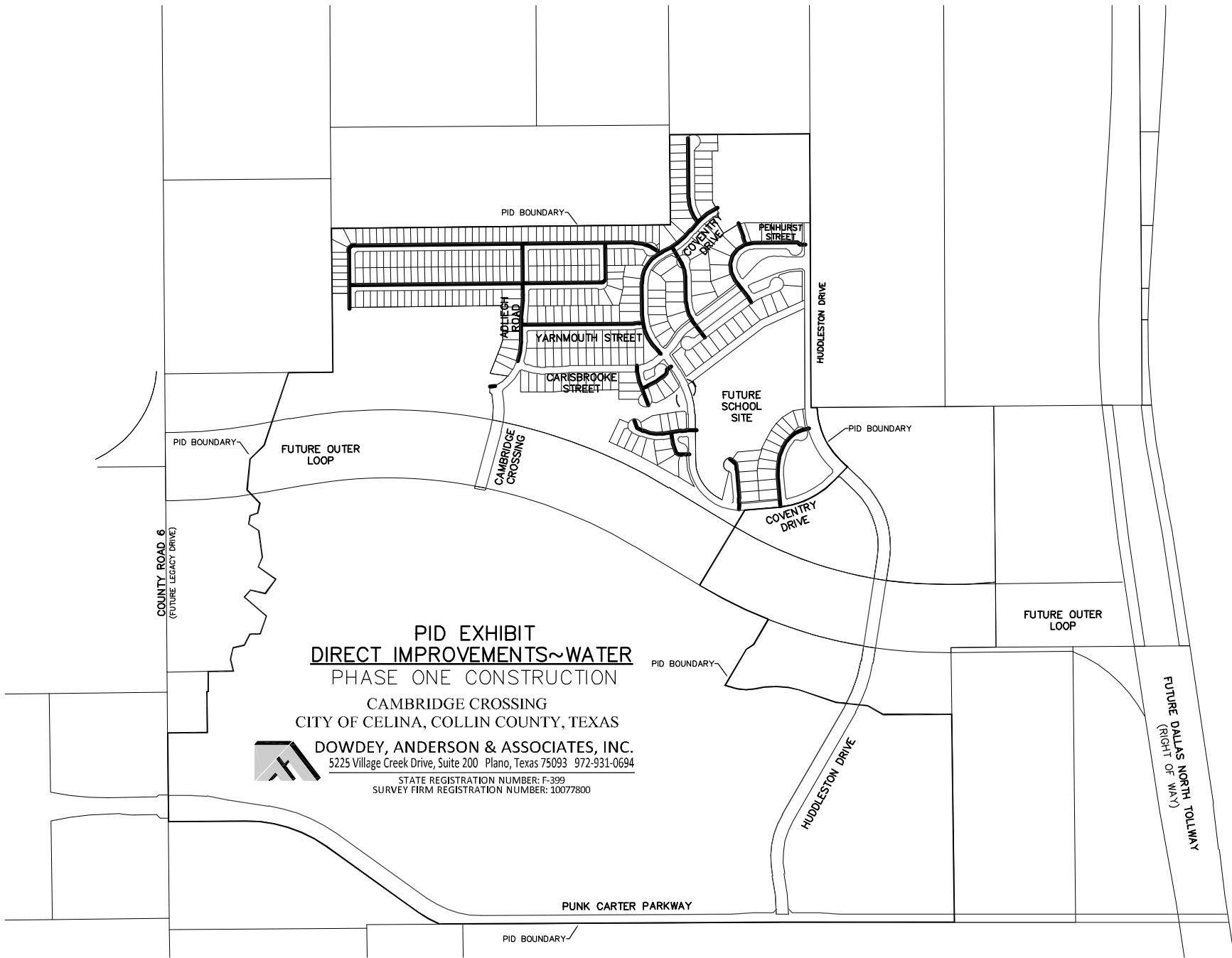
DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10077800







NTS



**PID EXHIBIT
DIRECT IMPROVEMENTS~WATER
PHASE ONE CONSTRUCTION**

CAMBRIDGE CROSSING
CITY OF CELINA, COLLIN COUNTY, TEXAS

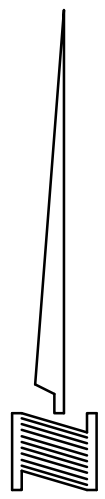
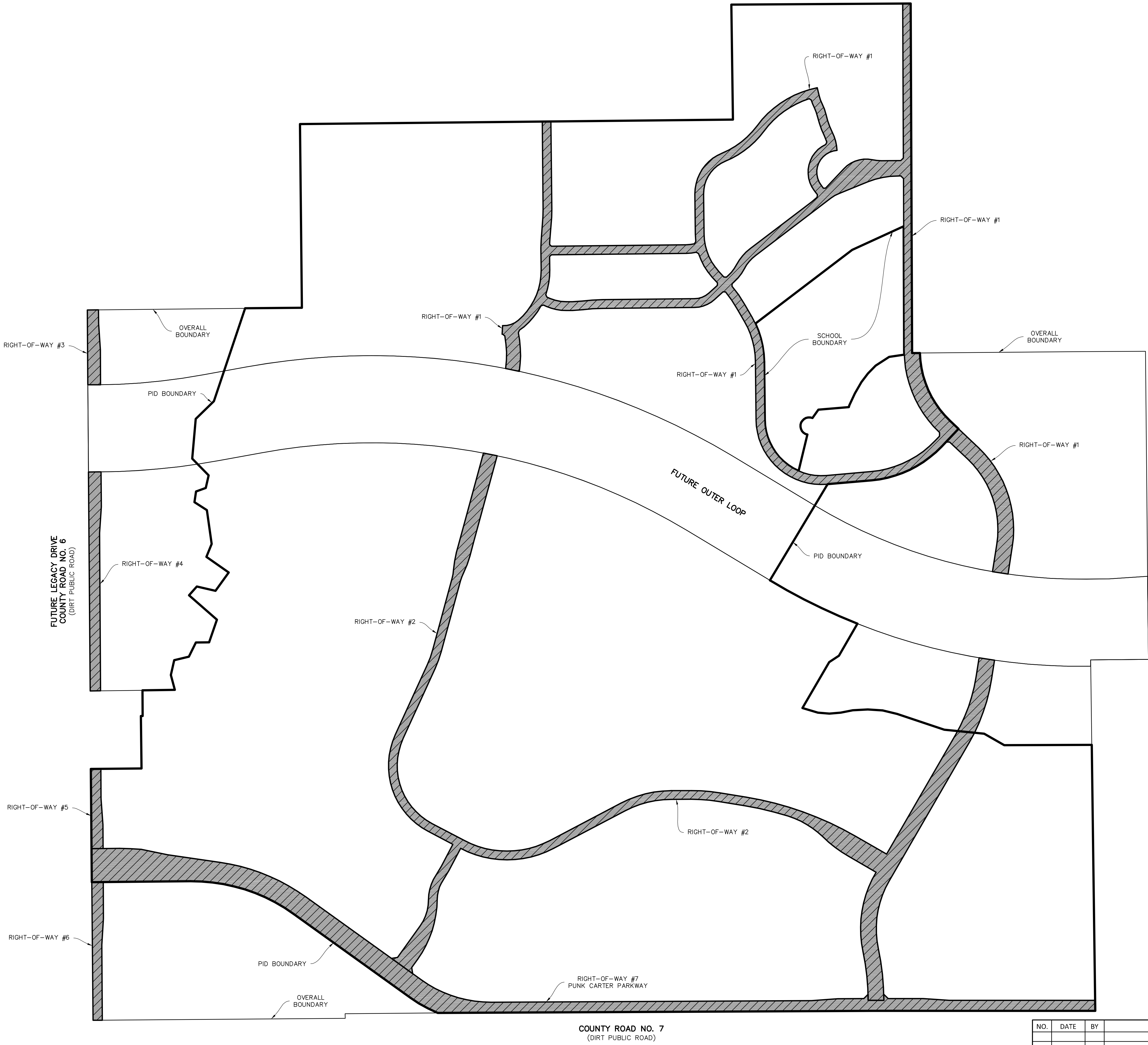


DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694

STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10077800

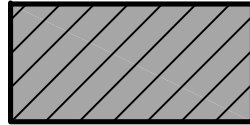


S:\PROJECTS C3014037\dwg\PID\14037-EX-RIGHTS-OF-WAY-ACQUISITION.dwg, 4037EX-PID RIGHTS-OF-WAY, 6/18/2018 2:46:32 PM, mbshesher, Dowdey, Anderson & Associates, Inc., M.L.B



LEGEND

RIGHT-OF-WAY



RIGHTS-OF-WAY AREA TABLE	
NAME	NET AREA (ACRES/SQ.FT.)
RIGHT-OF-WAY #1	16.098 ACRES (701,240 SQ.FT.)
RIGHT-OF-WAY #2	12.504 ACRES (544,680 SQ.FT.)
RIGHT-OF-WAY #3	0.692 ACRES (30,131 SQ.FT.)
RIGHT-OF-WAY #4	1.818 ACRES (79,190 SQ.FT.)
RIGHT-OF-WAY #5	0.646 ACRES (28,146 SQ.FT.)
RIGHT-OF-WAY #6	1.043 ACRES (45,451 SQ.FT.)
RIGHT-OF-WAY #7	12.289 ACRES (535,292 SQ.FT.)
OVERALL TOTAL:	45.090 ACRES (1,964,130 SQ.FT.)

NOTE:

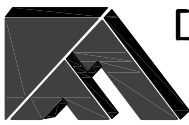
OF THE 45.090 ACRES OF ROW BEING ACQUIRED, 38.779 ACRES IS WITHIN THE PID AND 6.311 ACRES IS OUTSIDE THE PID.

NO.	DATE	BY	REVISION

PID MAJOR IMPROVEMENTS
ROW ACQUISITION

CAMBRIDGE CROSSING

CITY OF CELINA, COLLIN COUNTY, TEXAS

**DOWDEY, ANDERSON & ASSOCIATES, INC.**
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
SURVEY FIRM REGISTRATION NUMBER: 10027800

DESIGN	DRAWN	CHECKED	DATE	SCALE	JOB	SHEET
DAA	DAA	DAA	2018-06-18	N.T.S.	14037	1 / 1

Appendix D

LOT TYPES AND EQUIVALENT UNITS

Draft

Appendix D Lot Types and Equivalent Units

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

“Lot Type 1” means lots identified as such on the Assessment Roll, being lots typically with approximately 10,360 square feet size and a lot width of 74 feet, which may be referred to as such in the Zoning Ordinance.

“Lot Type 2” means lots identified as such on the Assessment Roll, being lots typically with approximately 7,800 square feet size and a lot width of 60 feet, which may be referred to as such in the Zoning Ordinance.

“Lot Type 3” means lots identified as such on the Assessment Roll, being lots typically with approximately 6,000 square feet size and a lot width of 50 feet, which may be referred to as such in the Zoning Ordinance.

The following table shows the proposed residential Lot Types within the PID.

**Table D-1
Proposed Development within the PID**

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	74 Ft Lots	152 units
Lot Type 2	60 Ft Lots	537 units
Lot Type 3	50 Ft Lots	839 units
Total		1,528 units

Table D-2 below shows the proposed residential Lot Types within Phase #1.

**Table D-2
Proposed Development – Phase #1**

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	74 Ft Lots	43 units
Lot Type 2	60 Ft Lots	122 units
Lot Type 3	50 Ft Lots	165 units
Total		330 units

Draft

Table D-3 below shows the proposed residential Lot Types within Phases #2 - 7.

Table D-3
Proposed Development – Phases #2 - 7

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	74 Ft Lots	109 units
Lot Type 2	60 Ft Lots	415 units
Lot Type 3	50 Ft Lots	674 units
Total		1,198 units

As explained under Section V-C, for purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Improvements to be financed with the Phases #1 Bonds shall be allocated to the Phases #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units and the Actual Costs of the Phases #2 - 7 share of the Major Improvements to be financed with the Phases #2 – 7 Major Improvement Bonds shall be allocated to the Phases #2 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Phases #1 Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 74 Ft, 60 Ft, 50 Ft etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications (from Lot Type 1 (74 Ft Lots) representing the highest value to Lot Type 3 (50 Ft Lot) representing the lowest value for residential lots are set forth in Table D-4 below. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (74 Ft Lots) to 1.0.

Draft

Table D-4
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor¹
Lot Type 1 (74 Ft Lot)	\$592,000	1.00 per dwelling unit
Lot Type 2 (60 Ft Lot)	\$480,000	0.81 per dwelling unit
Lot Type 3 (50 Ft Lot)	\$400,000	0.68 per dwelling unit

¹ – The Equivalent Unit Factors are rounded to two decimal places.

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

Table D-5
Estimated Equivalent Units - Phase #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (74 Ft Lot)	43	1.00	43.00
Lot Type 2 (60 Ft Lot)	122	0.81	98.82
Lot Type 3 (50 Ft Lot)	165	0.68	112.20
Total Equivalent Units	330		254.02

The total estimated Equivalent Units for Phases #2 - 7 are shown in Table D-6 below as calculated based on the Equivalent Unit factors shown above, estimated Lot Types and number of units estimated to be built within Phases #2 - 7.

Table D-6
Estimated Equivalent Units - Phases #2 - 7

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (74 Ft Lot)	109	1.00	109.00
Lot Type 2 (60 Ft Lot)	415	0.81	336.15
Lot Type 3 (50 Ft Lot)	674	0.68	458.32
Total Equivalent Units	1,198		903.47

Appendix E

ASSESSMENT ROLL –Phases #2-7 Major Improvement Assessed Property

Appendix E
Phase #2 - 7 Major Improvement Assessment Roll

Parcel	All Parcels
Assessment	\$13,795,000
Total Estimated Equivalent Units	903.47

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment
1	\$0	\$862,188	\$35,000	\$897,188
2	\$0	\$862,188	\$35,700	\$897,888
3	\$200,000	\$862,188	\$36,414	\$1,098,602
4	\$215,000	\$849,688	\$37,142	\$1,101,830
5	\$225,000	\$836,250	\$37,885	\$1,099,135
6	\$240,000	\$822,188	\$38,643	\$1,100,830
7	\$255,000	\$807,188	\$39,416	\$1,101,603
8	\$270,000	\$791,250	\$40,204	\$1,101,454
9	\$285,000	\$774,375	\$41,008	\$1,100,383
10	\$305,000	\$756,563	\$41,828	\$1,103,391
11	\$320,000	\$737,500	\$42,665	\$1,100,165
12	\$340,000	\$717,500	\$43,518	\$1,101,018
13	\$360,000	\$696,250	\$44,388	\$1,100,638
14	\$380,000	\$673,750	\$45,276	\$1,099,026
15	\$405,000	\$650,000	\$46,182	\$1,101,182
16	\$430,000	\$624,688	\$47,105	\$1,101,793
17	\$455,000	\$597,813	\$48,047	\$1,100,860
18	\$480,000	\$569,375	\$49,008	\$1,098,383
19	\$510,000	\$539,375	\$49,989	\$1,099,364
20	\$540,000	\$507,500	\$50,988	\$1,098,488
21	\$575,000	\$473,750	\$52,008	\$1,100,758
22	\$610,000	\$437,813	\$53,048	\$1,100,861
23	\$645,000	\$399,688	\$54,109	\$1,098,797
24	\$685,000	\$359,375	\$55,191	\$1,099,566
25	\$725,000	\$316,563	\$56,295	\$1,097,858
26	\$770,000	\$271,250	\$57,421	\$1,098,671
27	\$815,000	\$223,125	\$58,570	\$1,096,695
28	\$865,000	\$172,188	\$59,741	\$1,096,929
29	\$915,000	\$118,125	\$60,936	\$1,094,061
30	\$975,000	\$60,938	\$62,155	\$1,098,092
Total	\$13,795,000	\$17,370,625	\$1,419,883	\$32,585,508

1 - The principal and interest amounts are estimated using 5.75% per annum and includes 0.5% Additional Interest.

2 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs and will be updated in Annual Service Plan Updates.

Attachment: Cambridge Crossing PID - Draft SAP - v2.1 (Cambridge Crossing PID Assessment Public Hearing)

Phases #2 - 7 Major Improvements Projected Annual Installment per Equivalent Unit**Lot Type**

Lot Type 1 (74' Lot)

Assessment

\$15,269

Equivalent Units

1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment
1	\$0	\$954	\$39	\$993
2	\$0	\$954	\$40	\$994
3	\$221	\$954	\$40	\$1,216
4	\$238	\$940	\$41	\$1,220
5	\$249	\$926	\$42	\$1,217
6	\$266	\$910	\$43	\$1,218
7	\$282	\$893	\$44	\$1,219
8	\$299	\$876	\$44	\$1,219
9	\$315	\$857	\$45	\$1,218
10	\$338	\$837	\$46	\$1,221
11	\$354	\$816	\$47	\$1,218
12	\$376	\$794	\$48	\$1,219
13	\$398	\$771	\$49	\$1,218
14	\$421	\$746	\$50	\$1,216
15	\$448	\$719	\$51	\$1,219
16	\$476	\$691	\$52	\$1,220
17	\$504	\$662	\$53	\$1,218
18	\$531	\$630	\$54	\$1,216
19	\$564	\$597	\$55	\$1,217
20	\$598	\$562	\$56	\$1,216
21	\$636	\$524	\$58	\$1,218
22	\$675	\$485	\$59	\$1,218
23	\$714	\$442	\$60	\$1,216
24	\$758	\$398	\$61	\$1,217
25	\$802	\$350	\$62	\$1,215
26	\$852	\$300	\$64	\$1,216
27	\$902	\$247	\$65	\$1,214
28	\$957	\$191	\$66	\$1,214
29	\$1,013	\$131	\$67	\$1,211
30	\$1,079	\$67	\$69	\$1,215
Total	\$15,269	\$19,227	\$1,572	\$36,067

1 - The principal and interest amounts are estimated using 5.75% per annum and includes 0.5% Additional Interest.

2 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs and will be updated in Annual Service Plan Updates.

Attachment: Cambridge Crossing PID - Draft SAP - v2.1 (Cambridge Crossing PID Assessment Public Hearing)

Appendix F
ASSESSMENT ROLL – Phase #1 Assessed Property

Appendix F
Phase #1 Proposed Assessment Roll

Parcel	All Parcels
Assessment	\$9,555,000
Total Estimated Equivalent Units	254.02

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment
1	\$0	\$573,300	\$35,000	\$608,300
2	\$0	\$573,300	\$35,700	\$609,000
3	\$140,000	\$573,300	\$36,414	\$749,714
4	\$150,000	\$564,900	\$37,142	\$752,042
5	\$155,000	\$555,900	\$37,885	\$748,785
6	\$165,000	\$546,600	\$38,643	\$750,243
7	\$175,000	\$536,700	\$39,416	\$751,116
8	\$185,000	\$526,200	\$40,204	\$751,404
9	\$200,000	\$515,100	\$41,008	\$756,108
10	\$210,000	\$503,100	\$41,828	\$754,928
11	\$220,000	\$490,500	\$42,665	\$753,165
12	\$235,000	\$477,300	\$43,518	\$755,818
13	\$250,000	\$463,200	\$44,388	\$757,588
14	\$265,000	\$448,200	\$45,276	\$758,476
15	\$280,000	\$432,300	\$46,182	\$758,482
16	\$295,000	\$415,500	\$47,105	\$757,605
17	\$315,000	\$397,800	\$48,047	\$760,847
18	\$335,000	\$378,900	\$49,008	\$762,908
19	\$355,000	\$358,800	\$49,989	\$763,789
20	\$375,000	\$337,500	\$50,988	\$763,488
21	\$400,000	\$315,000	\$52,008	\$767,008
22	\$420,000	\$291,000	\$53,048	\$764,048
23	\$445,000	\$265,800	\$54,109	\$764,909
24	\$475,000	\$239,100	\$55,191	\$769,291
25	\$500,000	\$210,600	\$56,295	\$766,895
26	\$535,000	\$180,600	\$57,421	\$773,021
27	\$565,000	\$148,500	\$58,570	\$772,070
28	\$600,000	\$114,600	\$59,741	\$774,341
29	\$635,000	\$78,600	\$60,936	\$774,536
30	\$675,000	\$40,500	\$62,155	\$777,655
Total	\$9,555,000	\$11,552,700	\$1,419,883	\$22,527,583

1 - The principal and interest amounts are estimated using 5.5% per annum and includes 0.5% Additional Interest.

2- The Administrative Expenses shown include the estimated PID administration and Assessment collection costs and will be updated in Annual Service Plan Updates.

Attachment: Cambridge Crossing PID - Draft SAP - v2.1 (Cambridge Crossing PID Assessment Public Hearing)

Phase #1 Projected Annual Installment per Equivalent Unit

Lot Type
Assessment
Equivalent Units

Lot Type 1 (74' Lot)
 \$37,615
 1.00

Year	Principal ¹	Interest ¹	Administrative Expenses ²	Total Annual Installment
1	\$0	\$2,257	\$138	\$2,395
2	\$0	\$2,257	\$141	\$2,397
3	\$551	\$2,257	\$143	\$2,951
4	\$591	\$2,224	\$146	\$2,961
5	\$610	\$2,188	\$149	\$2,948
6	\$650	\$2,152	\$152	\$2,953
7	\$689	\$2,113	\$155	\$2,957
8	\$728	\$2,071	\$158	\$2,958
9	\$787	\$2,028	\$161	\$2,977
10	\$827	\$1,981	\$165	\$2,972
11	\$866	\$1,931	\$168	\$2,965
12	\$925	\$1,879	\$171	\$2,975
13	\$984	\$1,823	\$175	\$2,982
14	\$1,043	\$1,764	\$178	\$2,986
15	\$1,102	\$1,702	\$182	\$2,986
16	\$1,161	\$1,636	\$185	\$2,982
17	\$1,240	\$1,566	\$189	\$2,995
18	\$1,319	\$1,492	\$193	\$3,003
19	\$1,398	\$1,412	\$197	\$3,007
20	\$1,476	\$1,329	\$201	\$3,006
21	\$1,575	\$1,240	\$205	\$3,019
22	\$1,653	\$1,146	\$209	\$3,008
23	\$1,752	\$1,046	\$213	\$3,011
24	\$1,870	\$941	\$217	\$3,028
25	\$1,968	\$829	\$222	\$3,019
26	\$2,106	\$711	\$226	\$3,043
27	\$2,224	\$585	\$231	\$3,039
28	\$2,362	\$451	\$235	\$3,048
29	\$2,500	\$309	\$240	\$3,049
30	\$2,657	\$159	\$245	\$3,061
Total	\$37,615	\$45,479	\$5,590	\$88,684

1 - The principal and interest amounts are estimated using 5.5% per annum and includes 0.5% Additional Interest.

2- The Administrative Expenses shown include the estimated PID administration and Assessment collection costs and will be updated in Annual Service Plan Updates.

Attachment: Cambridge Crossing PID - Draft SAP - v2.1 (Cambridge Crossing PID Assessment Public Hearing)



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Alexis Jackson, Director of Development Services
 CC: Jason Laumer, City Manager
 Date: August 14, 2018
 Re: Celina West Marketplace Annexation 1st Public Hearing

Action Requested:

The City Council will conduct the first of two public hearings on the proposed voluntary annexation of an approximately 8.0 acre tract of land situated in the T. McIntyre Survey, Abstract No. 903, Denton County, Texas, and located on the east side of FM 1385 approximately 1,750 feet north of Crutchfield Road. (Celina West Marketplace Annexation)(Jackson)

Owner:

Munish and Shusha Gupta
 5628 St. Peter Drive
 Plano, TX 75093

Background Information:

Below is the anticipated annexation schedule for the Celina West Marketplace annexation:

§ August 3, 2018	Council acted on a resolution and set the dates and time of the two public hearings.
§ August 14, 2018	Council holds the first public hearing.
§ September 11, 2018	Council to hold the second public hearing and consider annexation ordinance.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

N/A

Staff Recommendation:

N/A

SURVEY PLAT

BARRY S. RHODES Registered Professional Land Surveyor (972) 475-8940
This is to certify that I have, this date, made a careful and accurate survey on the ground of property located at No. _____ F.M. 1385 _____, in the city of PROSPER, DENTON COUNTY Texas

STATE OF TEXAS:
COUNTY OF DENTON:

BEING a tract of land situated in the McIntyre Survey, Abstract No. 903, Denton County, Texas, conveyed to First Texoma National Bank as recorded in Document No. 201069657, Official Public records, Denton County , Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod found for corner being in the East line of F.M. 1385 and being the Southwest corner of a tract of land conveyed to Dena Riley as recorded in Document Number 20000050894 and being the Northwest corner of said First Texoma National Bank tract;

THENCE South 89 degrees 49 minutes 40 seconds East, a distance of 1,276.23 feet to a 5/8 inch yellow capped iron rod found for corner being in a West line of a tract deeded to Affordable Housing Comm., as recorded in Document No. 200000116799, Official Public record, Denton County, Texas and being the Southeast corner of said Riley tract;

THENCE South 00 degrees 12 minutes 35 seconds West, a distance of 272.38 feet to a ½ inch iron rod found for corner;

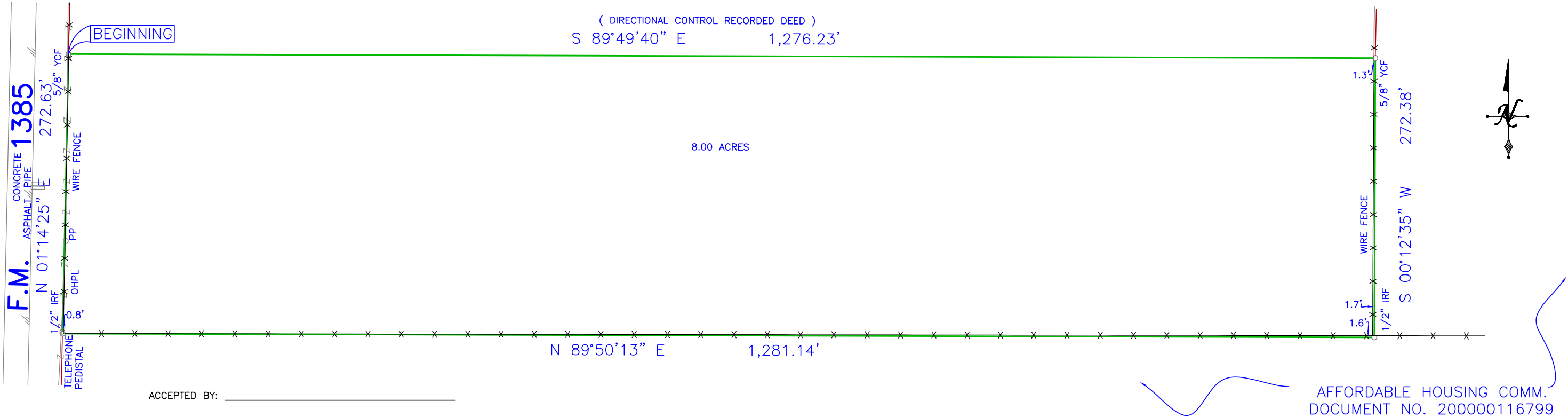
THENCE North 89 degrees 50 minutes 13 seconds East, a distance of 1281.14 feet to a ½ inch iron rod found for corner;

THENCE North 01 degrees 14 minutes 25 seconds East, a distance of 272.63 feet to the PLACE OF BEGINNING and containing 8.00 acres of land.

THE ABOVE DESCRIBED PROPERTY DOES NOT LIE IN A FLOOD HAZARD AREA ACCORDING TO THE F.E.M.A. FLOOD INSURANCE RATE MAP COMMUNITY PANEL NO. 48131C0270G ZONE X 04/18/2011

NOTE: NO ABOVE GROUND UTILITIES WERE FOUND.

DENA RILEY
DOCUMENT NO. 20000050894



ACCEPTED BY: _____

AFFORDABLE HOUSING COMM.
DOCUMENT NO. 200000116799

The plat hereon is true, correct, and accurate representation of the property as determined by survey, the lines and dimensions of said property being as indicated by the plat: the size, location and type of building and improvements are as shown, all improvements being within the boundaries of the property, set back from property lines the distance indicated, or visible and apparent easements.

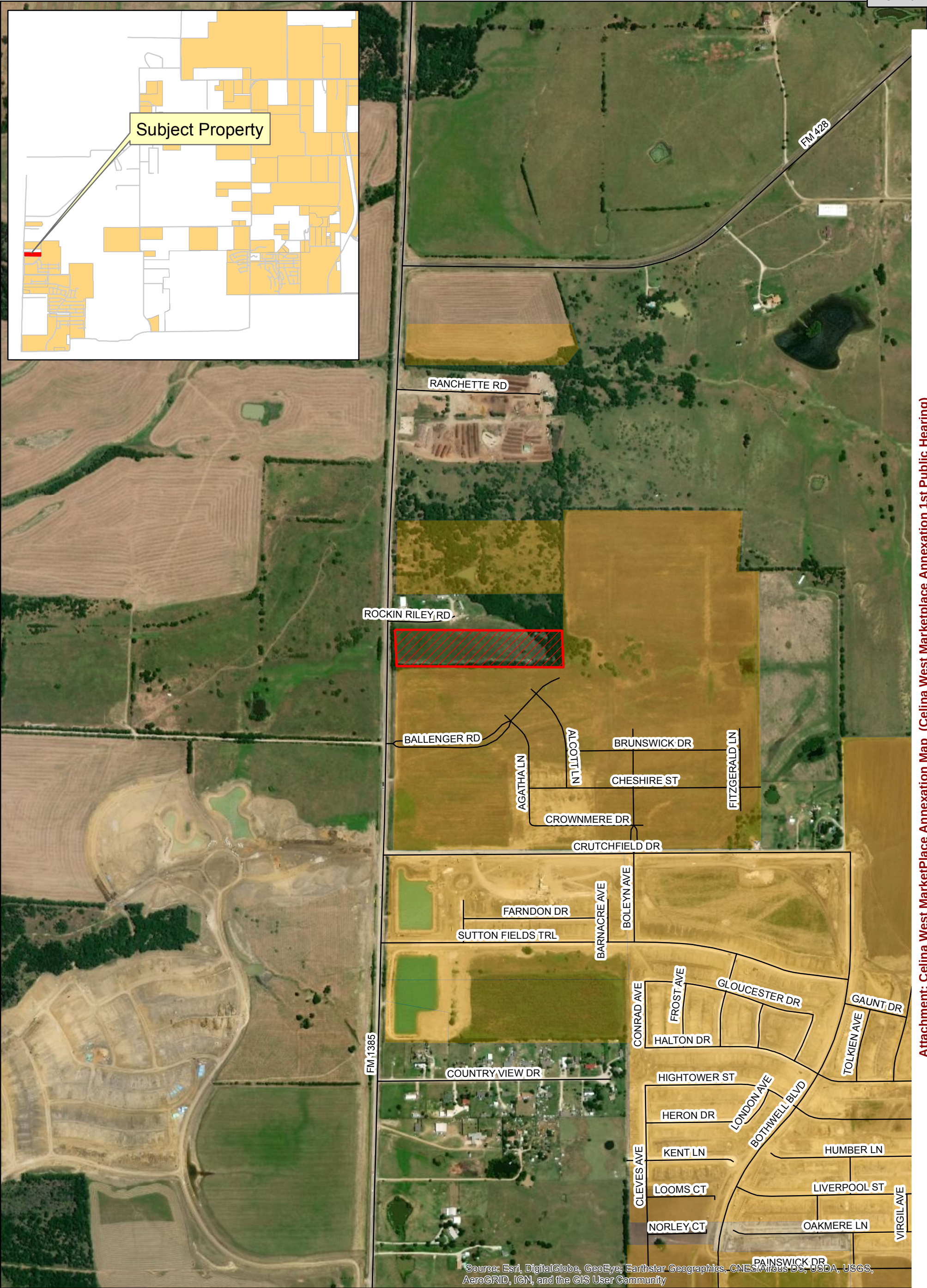
THERE ARE NO ENCROACHMENTS, CONFLICTS, OR PROTRUSIONS, EXCEPT AS SHOWN.

Scale: 1" = 100'
Date: 05/08/2013
G. F. No.: 1817288HXF65
Job no.: 90883
Drawn by: CW

THIS SURVEY WAS PERFORMED EXCLUSIVELY FOR
HEXTER-FAIR TITLE
USE OF THIS SURVEY FOR ANY OTHER PURPOSE
OR OTHER PARTIES SHALL BE AT THEIR RISK AND
UNDERSIGNED IS NOT RESPONSIBLE TO OTHERS
FOR ANY LOSS RESULTING THEREFROM.



TITLE AND ABSTRACTING WORK FURNISHED BY HEXTER-FAIR TITLE



Attachment: Celina West MarketPlace Annexation Map (Celina West Marketplace Annexation 1st Public Hearing)



Location Map Celina West Marketplace Annexation

Date: 8/8/2018

Legend

- Roads
- Celina West Marketplace
- City Limits

0 487.5 975 Feet

Packet Pg. 1800



Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Jay Toutouchian, Finance Director
Date: August 14, 2018
Re: 2018 Refunding Bond

Action Requested:

Consider and act upon an ordinance authorizing the issuance of “City of Celina, Texas, General Obligation Refunding Bonds, Series 2018”; specifying the terms and features of said bonds; levying a continuing direct annual Ad Valorem tax for the payment of said bonds; providing for the redemption of certain outstanding obligations of the City; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement and the approval and distribution of a Preliminary Official Statement and an Official Statement; and providing an effective date. (Toutouchian)

Background Information:

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Ordinance

Staff Recommendation:

ORDINANCE NO. 2018-____

AN ORDINANCE authorizing the issuance of "CITY OF CELINA, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018"; specifying the terms and features of said bonds; levying a continuing direct annual ad valorem tax for the payment of said bonds; providing for the redemption of certain outstanding obligations of the City; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement and the approval and distribution of a Preliminary Official Statement and an Official Statement; and providing an effective date.

WHEREAS, the City Council (the "Council") of the City of Celina, Texas (the "City") has heretofore issued, sold, and delivered, and there is currently outstanding obligations of the following issue or series (collectively, the "Refunded Obligations"), to wit:

- (1) "City of Celina, Texas, Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2004," dated October 1, 2004, scheduled to mature on September 1 in each of the years 2019 through 2029, inclusive, and aggregating in the principal amount of \$1,335,000 (hereinafter referred to as the "Series 2004 Refunded Certificates");
- (2) "City of Celina, Texas, Tax and Waterworks and Sewer System Revenue Certificates of Obligation, Series 2007," dated September 1, 2007, scheduled to mature on September 1 in each of the years 2019 through 2020, inclusive, and aggregating in the principal amount of \$280,000 (hereinafter referred to as the "Series 2007 Refunded Certificates");
- (3) "City of Celina, Texas, General Obligation Refunding Bonds, Series 2007," dated September 1, 2007, scheduled to mature on September 1 in each of the years 2019 through 2021, inclusive, and aggregating in the principal amount of \$765,000 (hereinafter referred to as the "Series 2007 Refunded Bonds"); and
- (4) "City of Celina, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2012," dated June 1, 2012, scheduled to mature on September 1 in each of the years 2019 through 2032, inclusive, and aggregating in the principal amount of \$3,630,000 (hereinafter referred to as the "Series 2012 Refunded Certificates");

WHEREAS, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, the Council is authorized to issue refunding bonds and deposit the proceeds of sale directly with the place of payment for the Refunded Obligations, or other authorized depository, and such deposit, when made in accordance with said statute, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the Council hereby finds and determines that the Refunded Obligations should be refunded at this time, and such refunding will result in the City saving approximately

\$_____ in debt service payments on such indebtedness and further provide a net present value savings of approximately \$_____; now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. General obligation bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____ to be designated and bear the title "CITY OF CELINA, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018" (hereinafter referred to as the "Bonds"), for the purpose of providing funds for the discharge and final payment of certain outstanding obligations of the City (identified in the preamble hereof and referred to as the "Refunded Obligations") and to pay costs of issuance, in accordance with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1207, as amended.

SECTION 2: Fully Registered Obligations - Bond Date - Authorized Denominations- Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations only, shall be dated August 1, 2018 (the "Bond Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on September 1 in each of the years and in the principal amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		

The Bonds shall bear interest on the unpaid principal amounts from the date of initial delivery of the Bonds at the rate(s) per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on March 1 and September 1 in each year, commencing March 1, 2019, until maturity or prior redemption.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of U.S. Bank National Association, Dallas, Texas to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor or Mayor Pro Tem and City Secretary are authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by first class United States mail, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds, shall be payable at the Stated Maturities thereof only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices, initially in St. Paul, Minnesota, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the fifteenth day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent by first class United States mail, postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled 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 Paying Agent/Registrar, 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 (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by first class United States mail, postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The City reserves the right and option to redeem the Bonds maturing on September 1, 2029, in whole or in part, before their scheduled maturity date, on September 1, 2028, or on any date thereafter at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest from the most recent interest payment date on which interest has been paid or duly provided for to the date fixed for redemption.

At least forty-five (45) days prior to an optional redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be optionally redeemed, and the date of redemption therefor. The decision of the City to exercise the right to optionally redeem Bonds shall be entered in the minutes of the governing body of the City.

(b) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding, which is obtained by dividing the principal amount of such Bonds by \$5,000, and shall select the Bonds to be redeemed within such Stated Maturity by lot.

(c) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(d) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the City at the Designated Payment/Transfer Office of the Paying Agent/Registrar, as provided herein and in accordance with the provisions of an agreement with the Paying Agent/Registrar and such rules and regulations as the Paying

Agent/Registrar and the City may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each Holder of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond(s) referenced in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4 and 5 hereof relating to the payment, and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York ("DTC"), in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations, by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that one or more of the individuals shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the aggregate principal amount stated in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bond(s) submitted to the Office of the Attorney General of the State of Texas for

approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and 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 insurance legends in the event the Bonds, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Definitive Bond.

REGISTERED
NO. ____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF CELINA, TEXAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2018

Bond Date:
August 1, 2018

Interest Rate:
_____ %

Stated Maturity:
September 1, 20__

CUSIP No.:

Registered Owner:

Principal Amount:

The City of Celina (hereinafter referred to as the "City"), a body corporate and municipal corporation in the Counties of Collin and Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof (the "Registered Owner"), on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have

been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the date of initial delivery of the Bonds) 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 being payable on March 1 and September 1 in each year, commencing March 1, 2019, until maturity or prior redemption. Principal of this Bond shall be payable at its Stated Maturity to the Registered Owner hereof upon presentation and surrender at the designated offices of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent by first class United States mail, postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purpose of providing funds for the discharge and final payment of the Refunded Obligations (identified and defined in the Ordinance hereinafter referenced), and to pay costs of issuance, under and in strict conformity with the Constitution and laws of the State of Texas and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Bonds maturing on September 1, 2029, may be redeemed prior to their Stated Maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on September 1, 2028, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at its maturity, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled 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 Paying Agent/Registrar, 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 (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by first class United States mail, postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforesated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City as of the Bond Date.

CITY OF CELINA, TEXAS

[Mayor][Mayor Pro Tem]

COUNTERSIGNED:

City Secretary

(City Seal)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	)	
OF PUBLIC ACCOUNTS	)	REGISTER NO. _____
THE STATE OF TEXAS	)	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within-mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar in St. Paul, Minnesota is the "Designated Payment/Transfer Office" for this Bond.

U.S. BANK NATIONAL ASSOCIATION,
Dallas, Texas, as Paying Agent/Registrar

Registration date:

By: _____
Authorized Signature

(e) 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 thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature guaranteed:

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.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of the single fully registered Initial Bond shall be modified as follows:

Heading and first paragraph shall read as follows:

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF CELINA, TEXAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2018

Bond Date: August 1, 2018

Registered Owner: _____

Principal Amount: _____ MILLION ____ HUNDRED ____ THOUSAND DOLLARS

The City of Celina (hereinafter referred to as the "City"), a body corporate and municipal corporation in the Counties of Collin and Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof (the "Registered Owner"), the Principal Amount hereinabove stated on September 1 in each of the years and in the principal installments in accordance with the following schedule:

<u>YEAR OF</u> <u>STATED MATURITY</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS (\$)</u>	<u>INTEREST</u> <u>RATES (%)</u>
--	--	-------------------------------------

(Information to be inserted from schedule in Section 2 hereof)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the date of initial delivery of the Bonds at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 in each year, commencing March 1, 2019, until maturity or prior redemption. Principal installments of this Bond are payable on the Stated Maturity dates to the registered owner hereof by U.S. Bank National Association, Dallas, Texas (the "Paying Agent/Registrar"), upon its presentation and surrender at its designated offices, initially in St. Paul, Minnesota, or, with respect to a successor paying agent/registrar, at the designated office of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent by first class United States mail, postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof

and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Levy of Taxes. To provide for the payment of the “Debt Service Requirements” of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their payment at maturity or redemption or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars’ valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the City at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds shall be deposited to the credit of a “Special 2018 Bond Account” (the “Interest and Sinking Fund”) maintained on the records of the City and deposited in a special fund maintained at an official depository of the City’s funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

The Mayor, Mayor Pro Tem, City Manager, City Secretary and Director of Finance of the City, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

The City has sufficient current funds available and such funds are hereby appropriated to make the payments to become due on the Bonds on March 1, 2019 and September 1, 2019, and the Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Secretary of the City, individually or jointly, are hereby authorized and directed to transfer and deposit in the Interest and Sinking Fund such amount of current funds which will be sufficient to pay the amounts to become due on the Bonds on March 1, 2019 and September 1, 2019.

SECTION 11: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 12: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

The term "Government Securities", as used herein, shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas.

SECTION 13: Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not

be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 28 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

The term "Outstanding" when used in this Ordinance with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

- (1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 12 hereof; and
- (3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

SECTION 14: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms 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.

"*Rebate Amount*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*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:

(1) 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 (including property financed with Gross Proceeds of the Refunded Obligations), 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

(2) 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 (including property financed with Gross Proceeds of the Refunded Obligations), 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. 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.

(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:

(1) 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.

(2) 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.

(3) 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 pay to the United States out of its general fund, other appropriate fund, or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Interest and Sinking 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.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), 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 and Director of Finance, either or any combination of them, 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 Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Bonds Not Hedge Bonds. (1) At the time the original obligations being refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such obligations within three years after such obligations were issued and (2) not more than 50% of the proceeds of the original obligations being refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(l) Current Refunding of the Refunded Obligations. The Bonds are a current refunding of the Refunded Obligations in that the Refunded Obligations are to be paid and redeemed in full within 90 days of the delivery date of the Bonds.

SECTION 15: Sale of Bonds – Official Statement Approval. Pursuant to a public sale for the Bonds, the bid submitted by _____ (herein collectively referred to as the “Purchaser”) is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Bonds to said Purchasers at the price of par plus a cash premium of \$_____ is hereby determined to be in the best interests of the City and is approved and confirmed. Delivery of the Bonds to the Purchasers shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The Initial Bond shall be registered in the name as provided in the winning bid.

Furthermore, the use of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Manager, Director of Finance or City Secretary, any one or more of said officials), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute said final Official Statement, dated August 14, 2018, in the reoffering, sale and delivery of the Bonds to the public. The Mayor or Mayor Pro Tem and City Secretary are further authorized and directed to cause to be delivered for and on behalf of the City copies of said Official Statement in final form as may be required by the Purchasers, and such final Official Statement shall be deemed to be approved by the Council and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 16: Control and Custody of Bonds. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

SECTION 17: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance and additional proceeds being deposited to the Interest and Sinking Fund) shall be deposited with the respective paying agents for the Refunded Obligations. The proceeds of sale of the Bonds not so deposited with the respective paying agents for the Refunded Obligations for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance or deposited in the Interest and Sinking Fund for the Bonds.

SECTION 18: Redemption of Refunded Obligations.

The Series 2004 Refunded Certificates shall be redeemed and the same are hereby called for redemption on _____, 2018, at the price of par and accrued interest to the date of redemption. The City Secretary is hereby authorized and directed to file a copy of this Ordinance, together with a suggested form of notice of redemption to be sent to holders of the Refunded Obligations, with U.S. Bank National Association, successor to Wachovia Bank, National Association and the current paying agent for the Series 2004 Refunded Certificates, in accordance with the redemption provisions applicable to such obligations; such suggested form of notice of redemption being attached hereto as **Exhibit B** and incorporated herein by reference as a part of this Ordinance for all purposes.

The Series 2007 Refunded Certificates shall be redeemed and the same are hereby called for redemption on _____, 2018, at the price of par and accrued interest to the date of redemption. The City Secretary is hereby authorized and directed to file a copy of this Ordinance, together with a suggested form of notice of redemption to be sent to holders of the Refunded Obligations, with The Bank of New York Mellon Trust Company, N.A., the current paying agent for the Series 2007 Refunded Certificates, in accordance with the redemption provisions applicable to such obligations; such suggested form of notice of redemption being attached hereto as **Exhibit C** and incorporated herein by reference as a part of this Ordinance for all purposes.

The Series 2007 Refunded Bonds shall be redeemed and the same are hereby called for redemption on _____, 2018, at the price of par and accrued interest to the date of redemption. The City Secretary is hereby authorized and directed to file a copy of this Ordinance, together with a suggested form of notice of redemption to be sent to holders of the Refunded

Obligations, with The Bank of New York Mellon Trust Company, N.A., the current paying agent for the Series 2007 Refunded Bonds, in accordance with the redemption provisions applicable to such obligations; such suggested form of notice of redemption being attached hereto as **Exhibit D** and incorporated herein by reference as a part of this Ordinance for all purposes.

The Series 2012 Refunded Certificates shall be redeemed and the same are hereby called for redemption on September 25, 2018, at the price of par and accrued interest to the date of redemption. The City Secretary is hereby authorized and directed to file a copy of this Ordinance, together with a suggested form of notice of redemption to be sent to holders of the Refunded Obligations, with The Bank of New York Mellon Trust Company, N.A., the current paying agent for the Series 2012 Refunded Certificates, in accordance with the redemption provisions applicable to such obligations; such suggested form of notice of redemption being attached hereto as **Exhibit D** and incorporated herein by reference as a part of this Ordinance for all purposes.

The redemption of the Refunded Obligations described above being associated with the refunding of such Refunded Obligations, the approval, authorization and arrangements herein given and provided for the redemption of such Refunded Obligations on the redemption date designated therefor and in the manner provided shall be irrevocable upon the issuance and delivery of the Bonds; and the City Secretary is hereby authorized and directed to make all arrangements necessary to notify the holders of such Refunded Obligations of the City's decision to redeem such Refunded Obligations on the date and in the manner herein provided and in accordance with the ordinances authorizing the issuance of such Refunded Obligations and this Ordinance.

SECTION 19: Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by first class United States mail, postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 20: Cancellation. All Bonds surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the City.

SECTION 21: Legal Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final legal opinion of Norton Rose Fulbright US LLP, Bond Counsel to the City, approving such Bonds as to their validity, said opinion to be dated and

delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the global Bonds deposited with DTC.

SECTION 22: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 23: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 24: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 25: 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 26: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 27: 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 28: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year, beginning in or after 2018, financial information and operating data with respect to the City of the general type included in Tables 1 through 6, 8 through 14, 19 and 20 in the Official Statement, and (2) within twelve months after the end of each fiscal year ending in or after 2018, audited financial statements of the City. Any financial statements so provided shall be prepared in accordance with the accounting principles described in Appendix B to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and audited, if the City commissions

an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

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 Internal Revenue Service 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 holders of the Bonds, 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 City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City 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 City, 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 City.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests

of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent an underwriter of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 29: 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 and the application thereof to other circumstances shall nevertheless be valid, and this Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 30: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Secretary are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance, sale and delivery of the Bonds. In addition, prior to the delivery of the Bonds, the Mayor, Mayor Pro Tem, City Manager, Director of Finance or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in this Ordinance or such other document, or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 31: Incorporation of Findings and Determinations. The findings and determinations of this Council contained in the preamble 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.

SECTION 32: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 33: Effective Date. In accordance with the provisions of Texas Government Code, Section 1201.028, as amended, this Ordinance shall be in force and effect from and after its passage on the date shown below and it is so ordained.

[Remainder of page left blank intentionally]

PASSED AND ADOPTED, this August 14, 2018.

CITY OF CELINA, TEXAS

Mayor

ATTEST:

City Secretary

(City Seal)

Attachment: Celina GO Ref 2018_draft Ordinance (2018 - 42 : GO Refunding 2018)

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

Attachment: Celina GO Ref 2018_draft Ordinance (2018 - 42 : GO Refunding 2018)

EXHIBIT B**NOTICE OF REDEMPTION**

CITY OF CELINA, TEXAS
TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE
CERTIFICATES OF OBLIGATION
SERIES 2004
Dated OCTOBER 1, 2004

NOTICE IS HEREBY GIVEN that the certificates of obligation of the above series maturing on and after September 1, 2019, and aggregating in the principal amount of \$1,335,000, have been called for redemption on _____, 2018 at the redemption price of par and accrued interest to the date of redemption, such certificates being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount (\$)</u>	<u>CUSIP Number</u>
2019	320,000	
2020	330,000	
2021	345,000	
2022	360,000	
2023	375,000	
2024	390,000	
2025	410,000	
2026	425,000	

2029*	1,400,000	

*Term Certificate

ALL SUCH CERTIFICATES shall become due and payable on _____, 2018, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said certificates shall be paid to the registered owners of the certificates only upon presentation and surrender thereof to U.S. Bank National Association at _____.

ALL SUCH BONDS shall become due and payable on March 23, 2018, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said bonds shall be paid to the registered owners thereof only upon presentation and surrender of such bonds to U. S. Bank National Association, at its designated offices at the following address: U. S. Bank National Association, 201 Milan Parkway, 2nd Floor, St. Paul, Minnesota 35211, Attention: Corporate Trust Operations.

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said bonds and pursuant to an order by the Board of Trustees of the Coppell Independent School District.

Attachment: Celina GO Ref 2018_draft Ordinance (2018 - 42 : GO Refunding 2018)

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said certificates and pursuant to an ordinance by the City Council of the City of Celina, Texas.

U.S. BANK NATIONAL ASSOCIATION
Dallas, Texas
13737 Noel Road, Suite 800
Dallas, Texas 75240

Attachment: Celina GO Ref 2018_draft Ordinance (2018 - 42 : GO Refunding 2018)

EXHIBIT C**NOTICE OF REDEMPTION**

CITY OF CELINA, TEXAS
TAX AND WATERWORKS AND SEWER SYSTEM REVENUE
CERTIFICATES OF OBLIGATION
SERIES 2007
Dated SEPTEMBER 1, 2007

NOTICE IS HEREBY GIVEN that the certificates of obligation of the above series maturing on and after September 1, 2019, and aggregating in the principal amount of \$280,000, have been called for redemption on _____, 2018 at the redemption price of par and accrued interest to the date of redemption, such certificates being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount (\$)</u>	<u>CUSIP Number</u>
2019	225,000	
2020	55,000	

ALL SUCH CERTIFICATES shall become due and payable on _____, 2018, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said certificates shall be paid to the registered owners of the certificates only upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A. at its designated offices at the following addresses:

First Class/
Registered/Certified:

The Bank of New York Mellon
Trust Company, N.A.
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery/Courier:

The Bank of New York Mellon
Trust Company, N.A.
Global Corporate Trust
111 Sanders Creek Pkwy.
East Syracuse, NY 13057

By Hand Only:

The Bank of New York Mellon
Trust Company, N.A.
Global Corporate Trust
Corporate Trust Window
101 Barclay Street
1st Floor East
New York, NY 10286

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said bonds and pursuant to an ordinance by the City Council of the City of Celina, Texas.

The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 10th Floor
Dallas, Texas 75201

EXHIBIT D**NOTICE OF REDEMPTION**

CITY OF CELINA, TEXAS
 GENERAL OBLIGATION REFUNDING BONDS
 SERIES 2007
 Dated SEPTEMBER 1, 2007

NOTICE IS HEREBY GIVEN that the bonds of the above series maturing on and after September 1, 2019, and aggregating in the principal amount of \$765,000, have been called for redemption on _____, 2018 at the redemption price of par and accrued interest to the date of redemption, such bonds being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount (\$)</u>	<u>CUSIP Number</u>
2019	275,000	
2020	295,000	
2021	195,000	

ALL SUCH BONDS shall become due and payable on _____, 2018, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said bonds shall be paid to the registered owners of the bonds only upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A. at its designated offices at the following addresses:

First Class/
Registered/Certified:

The Bank of New York Mellon
 Trust Company, N.A.
 Global Corporate Trust
 P.O. Box 396
 East Syracuse, NY 13057

Express Delivery/Courier:

The Bank of New York Mellon
 Trust Company, N.A.
 Global Corporate Trust
 111 Sanders Creek Pkwy.
 East Syracuse, NY 13057

By Hand Only:

The Bank of New York Mellon
 Trust Company, N.A.
 Global Corporate Trust
 Corporate Trust Window
 101 Barclay Street
 1st Floor East
 New York, NY 10286

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said bonds and pursuant to an ordinance by the City Council of the City of Celina, Texas.

The Bank of New York Mellon Trust Company, N.A.
 2001 Bryan Street, 10th Floor
 Dallas, Texas 75201

EXHIBIT E**NOTICE OF REDEMPTION**

CITY OF CELINA, TEXAS
TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE
CERTIFICATES OF OBLIGATION
SERIES 2012
Dated JUNE 1, 2012

NOTICE IS HEREBY GIVEN that the certificates of obligation of the above series maturing on and after September 1, 2019, and aggregating in the principal amount of \$3,630,000, have been called for redemption on _____, 2018 at the redemption price of par and accrued interest to the date of redemption, such certificates being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount (\$)</u>	<u>CUSIP Number</u>
2019	190,000	
2020*	195,000	
2021	225,000	
2022*	235,000	
2023	235,000	
2024*	250,000	
2025	255,000	
2026*	265,000	
2027	265,000	
2028*	280,000	
2029	295,000	
2030*	305,000	
2031	310,000	
2032*	325,000	

*Term Certificate

ALL SUCH CERTIFICATES shall become due and payable on _____, 2018, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said certificates shall be paid to the registered owners of the certificates only upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A. at its designated offices at the following addresses:

First Class/
Registered/Certified:

The Bank of New York Mellon
Trust Company, N.A.
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery/Courier:

The Bank of New York Mellon
Trust Company, N.A.
Global Corporate Trust
111 Sanders Creek Pkwy.
East Syracuse, NY 13057

By Hand Only:

The Bank of New York Mellon
Trust Company, N.A.
Global Corporate Trust
Corporate Trust Window
101 Barclay Street
1st Floor East
New York, NY 10286

Attachment: Celina GO Ref 2018_draft Ordinance (2018 - 42 : GO Refunding 2018)

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said certificates and pursuant to an ordinance by the City Council of the City of Celina, Texas.

The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 10th Floor
Dallas, Texas 75201



Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Jay Toutounchian, Finance Director
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re: 2018 Series Certificates of Obligation

Action Requested:

Consider and act upon an ordinance authorizing the issuance of “City of Celina, Texas, Tax and Waterworks and Sewer System (limited pledge) Revenue Certificates of Obligation, Series 2018”; specifying the terms and features of said certificates; providing for the payment of said certificates of obligation by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of the net revenues derived from the operation of the City’s combined waterworks and sewer system; providing the terms and conditions of such certificates of obligation and resolving other matters incident and relating to the issuance, payment, security, sale and delivery of said certificates of obligation, including the approval and execution of a Paying Agent/Registrar Agreement and the approval and distribution of a Preliminary Official Statement and an Official Statement pertaining thereto. (Toutounchian)

Background Information:

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Draft Ordinance

Staff Recommendation:

ORDINANCE NO. 2018-____

AN ORDINANCE authorizing the issuance of "CITY OF CELINA, TEXAS, TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018"; specifying the terms and features of said certificates; providing for the payment of said certificates of obligation by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of the net revenues derived from the operation of the City's combined waterworks and sewer system; providing the terms and conditions of such certificates of obligation and resolving other matters incident and relating to the issuance, payment, security, sale and delivery of said certificates of obligation, including the approval and execution of a Paying Agent/Registrar Agreement and the approval and distribution of a Preliminary Official Statement and an Official Statement pertaining thereto; and providing an effective date.

WHEREAS, notice of the City Council's intention to issue certificates of obligation in the maximum principal amount of \$55,000,000 for the purpose of paying contractual obligations to be incurred for (i) improving and extending the City's combined Waterworks and Sewer System, including the acquisition of land and rights-of-way therefor, (ii) acquiring land for a future City Hall site, (iii) constructing, equipping and improving City Hall and additional municipal buildings, and the acquisition of land therefor (iv) constructing and improving parking facilities for municipal facilities, including the acquisition of sites therefor, (v) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage and traffic signalization and the acquisition of land and rights-of-way therefor, (vi) constructing, equipping and improving fire-fighting facilities and (vii) professional services rendered in connection with such projects and the financing thereof; has been duly published in the *Celina Record*, a newspaper hereby found and determined to be of general circulation in the City of Celina, Texas, on May 11, 2018 and May 18, 2018, the date of the first publication of such notice being not less than thirty-one (31) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates; and

WHEREAS, no petition protesting the issuance of the certificates of obligation and bearing valid petition signatures of at least 5% of the qualified electors of the City, has been presented to or filed with the Mayor, City Secretary or any other official of the City on or prior to the date of the passage of this ordinance; and

WHEREAS, the Council hereby finds and determines that the certificates of obligation described in the aforesaid notice should be issued and sold at this time in the amount and manner as hereinafter provided; now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____ to be designated and bear the title "CITY OF CELINA, TEXAS, TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018" (hereinafter referred to as the "Certificates"), for the purpose of paying contractual obligations to be incurred for (i) improving and extending the City's combined Waterworks and Sewer System, including the acquisition of land and rights-of-way therefor, (ii) acquiring land for a future City Hall site, (iii) constructing, equipping and improving City Hall and additional municipal buildings, and the acquisition of land therefor (iv) constructing and

improving parking facilities for municipal facilities, including the acquisition of sites therefor, (v) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage and traffic signalization and the acquisition of land and rights-of-way therefor, (vi) constructing, equipping and improving fire-fighting facilities and (vii) professional services rendered in connection with such projects and the financing thereof, pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Local Government Code, Subchapter C of Chapter 271, as amended.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Certificate Date. The Certificates are issuable in fully registered form only; shall be dated August 1, 2018 (the "Certificate Date") and shall be in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity) and the Certificates shall become due and payable on September 1 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the per annum rate(s) in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate(%)</u>
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

The Certificates shall bear interest on the unpaid principal amounts from the date of delivery to the initial purchaser at the rates per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months), and such interest shall be payable on March 1 and September 1 of each year, commencing March 1, 2019 until maturity or prior redemption.

SECTION 3: Terms of Payment Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Certificates, due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the registered owners or holders of the Certificates (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of U.S. Bank National Association, Dallas, Texas, to serve as Paying Agent/Registrar for the Certificates is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Certificates (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor or Mayor Pro Tem and City Secretary are hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Certificates. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Certificates, shall be payable at the Stated Maturities or the redemption thereof only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its designated offices, initially in St. Paul, Minnesota, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Certificates shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the fifteenth day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled 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 Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 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 Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The Certificates maturing on and after September 1, 2029 shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if in part by lot by the Paying Agent/Registrar), on September 1, 2028, or on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

At least forty five (45) days prior to an optional redemption date for the Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor.

(b) Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Certificates as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificates by \$5,000 and shall select the Certificates to be redeemed within such Stated Maturity by lot.

(c) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, a notice of redemption shall be sent by United States mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Certificate to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, provided moneys sufficient for the payment of such Certificate (or the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender of the Certificates. If a Certificate is subject by its terms to prior redemption and has been called for redemption and notice of redemption has been duly given as hereinabove provided, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor.

(d) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Certificates - Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Certificates issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Certificate may be transferred or exchanged for Certificates of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the

Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Certificate (other than the single Initial Certificate(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates (other than the single Initial Certificate(s) authorized in Section 8 hereof) may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificates surrendered for exchange, upon surrender of the Certificates to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Certificates are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Certificates to the Holder requesting the exchange.

All Certificates issued in any transfer or exchange of Certificates shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered in such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates", evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Certificates" shall include any mutilated, lost, destroyed or stolen Certificate for which a replacement Certificate has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 20 hereof and such new replacement Certificate shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Certificate.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Certificate; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4 and 5 hereof relating to the payment, and transfer/exchange of the Certificates, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York ("DTC"), in

accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Certificates shall be deposited with DTC who shall hold said Certificates for its participants (the "DTC Participants"). While the Certificates are held by DTC under the Depository Agreement, the Holder of the Certificates on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Certificate (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City decides to discontinue use of the system of book-entry transfers through DTC, the City covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form and issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Certificates in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Certificates shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

SECTION 7: Execution - Registration. The Certificates shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Certificate Date shall be deemed to be duly executed on behalf of the City, notwithstanding that one or more of the individuals executing the same shall cease to be such officer at the time of delivery of the Certificates to the initial purchaser(s) and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code Chapter 1201, as amended.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered and delivered.

SECTION 8: Initial Certificate(s). The Certificates herein authorized shall be initially issued either (i) as a single fully registered certificate in the total principal amount stated in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered certificates with one certificate for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Certificate(s)") and, in either case, the Initial Certificate(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Certificate(s) shall be the Certificate(s) submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Certificate(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial

Certificate(s) delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and 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 insurance legends in the event the Certificates, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Certificates as evidenced by their execution. Any portion of the text of any Certificates may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates and the Initial Certificate(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Certificates as evidenced by their execution.

(b) Form of Definitive Certificates.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF CELINA, TEXAS
TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE
CERTIFICATE OF OBLIGATION
SERIES 2018

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
August 1, 2018	_____ %	September 1, 20__	_____

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Celina (hereinafter referred to as the "City"), a body corporate and municipal corporation in the Counties of Collin and Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior

redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Certificate appearing below (unless this Certificate bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Certificate is prior to the initial interest payment date in which case it shall bear interest from the date of delivery to the initial purchaser) 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 being payable on March 1 and September 1 in each year, commencing March 1, 2019, until maturity or prior redemption. Principal of this Certificate is payable at its Stated Maturity or on a redemption date to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Certificate is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Certificate. Interest is payable to the registered owner of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Certificates") for the purpose of paying contractual obligations to be incurred for (i) improving and extending the City's combined Waterworks and Sewer System, including the acquisition of land and rights-of-way therefor, (ii) acquiring land for a future City Hall site, (iii) constructing, equipping and improving City Hall and additional municipal buildings, and the acquisition of land therefor (iv) constructing and improving parking facilities for municipal facilities, including the acquisition of sites therefor, (v) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage and traffic signalization and the acquisition of land and rights-of-way therefor, (vi) constructing, equipping and improving fire fighting facilities and (vii) professional services rendered in connection with such projects and the financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Texas Local Government Code, Subchapter C of Chapter 271, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Certificates maturing on and after September 1, 2029 may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if in part by lot by the Paying Agent/Registrar), on September 1,

2028 or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Certificate to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Certificate redeemed in part.

With respect to any optional redemption of the Certificates, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City and from a limited pledge of the Net Revenues of the City's combined Waterworks and Sewer System (the "System"), such pledge being limited to an amount of \$1,000 and being junior and subordinate to the lien on and pledge of such Net Revenues securing the payment of the Prior Lien Obligations (identified and defined in the Ordinance) now outstanding and hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations without limitation as to principal amount but subject to any applicable terms, conditions or restrictions under law or otherwise, as well as the right to issue additional obligations payable from the same sources as the Certificates and, together with the Certificates, equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all the provisions of which the owner or holder of this Certificate by the acceptance hereof hereby assents, for definitions of

terms; the description of and the nature and extent of the tax levied for the payment of the Certificates; the Net Revenues pledged to the payment of the principal of and interest on the Certificates; the nature and extent and manner of enforcement of the pledge; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the pledges, charges and covenants made therein may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner entitled to payment of principal hereof at its Stated Maturity or upon its prior redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled 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 Paying Agent/Registrar, 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 (which shall be 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 Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Certificates to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Certificates do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Certificates as aforesaid. In case any provision in this Certificate shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Certificate to be duly executed under the official seal of the City as of the Certificate Date.

CITY OF CELINA, TEXAS

[Mayor][Mayor Pro Tem]

COUNTERSIGNED:

City Secretary

(City Seal)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Certificate(s) only.

REGISTRATION CERTIFICATE OF
THE COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	)	
OF PUBLIC ACCOUNTS	)	REGISTER NO. _____
THE STATE OF TEXAS	)	

I HEREBY CERTIFY that this Certificate has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Certificates only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued and registered under the provisions of the within mentioned Ordinance; the certificate or certificates of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar located in St. Paul, Minnesota, is the "Designated Payment/Transfer Office" for this Certificate.

U.S. BANK NATIONAL ASSOCIATION,
Dallas, Texas,
as Paying Agent/Registrar

Registration Date:

By _____
Authorized Signature

(e) 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 Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

(f) The Initial Certificate(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of a single fully registered Initial Certificate shall be modified as follows:

Heading and first paragraph shall be modified to read as follows:

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF CELINA, TEXAS
TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE
CERTIFICATE OF OBLIGATION
SERIES 2018

Certificate Date: August 1, 2018

Registered Owner: _____

Principal Amount: _____ MILLION _____ HUNDRED THOUSAND DOLLARS

The City of Celina (hereinafter referred to as the “City”), a body corporate and municipal corporation in the Counties of Collin and Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on September 1 in each of the years and in principal installments in accordance with the following schedule:

<u>YEAR OF</u> <u>MATURITY</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>
-----------------------------------	--	------------------------------------

(Information to be inserted from schedule in Section 2 hereof).

(or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amounts hereof from the date of delivery to the initial purchaser at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year, commencing March 1, 2019, until maturity or prior redemption. Principal installments of this Certificate are payable on the Stated Maturity dates or on a redemption date to the registered owner hereof by U.S. Bank National Association, Dallas, Texas (the “Paying Agent/Registrar”), upon its presentation and surrender at its designated offices, initially in St. Paul, Minnesota, or, with respect to a successor paying agent/registrar, at the designated office of such successor (the “Designated Payment/Transfer Office”). Interest is payable to the registered owner of this Certificate whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the fifteenth day of the month next preceding each interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Net Revenues therefor, the following words or terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

(a) The term “Additional Obligations” shall mean tax and revenue obligations hereafter issued which by their terms are payable from ad valorem taxes and additionally payable from and secured by a parity lien on and pledge of the Net Revenues of the System of equal rank and dignity with the lien and pledge securing the payment of the Certificates.

(b) The term "Certificates" shall mean the \$_____ "CITY OF CELINA, TEXAS, TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018" authorized by this Ordinance.

(c) The term "Certificate Fund" shall mean the special fund created and established under the provisions of Section 11 of this Ordinance.

(d) The term "Collection Date" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

(e) The term "Fiscal Year" shall mean the annual financial accounting period used with respect to the operations of the System now ending on September 30th of each year; provided, however, the City Council may change, by ordinance duly passed, such annual financial accounting period to end on another date if such change is found and determined to be necessary for budgetary or other fiscal purposes.

(f) The term "Government Securities" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Certificates under the then applicable laws of the State of Texas.

(g) The term "Gross Revenues" shall mean, with respect to the System and for any defined period, all income and revenues derived from the operation and ownership of the System, excluding, however, meter deposits, gifts, grants in aid of construction and similar kinds of receipts and moneys restricted as to use or expenditure.

(h) The term "Net Revenues" shall mean, with respect to the System and for any defined period, the Gross Revenues of the System after deducting the System's Operating and Maintenance Expenses.

(i) The term "Operating and Maintenance Expenses" shall mean, for any defined period, all current expenses and costs of operating and maintaining the System, including all salaries, labor, materials and repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair the security of any Certificates or obligations payable from and secured by a lien on the Net Revenues of the System, shall be deducted in determining "Net Revenues". Depreciation and payments into and out of the funds maintained for the payment of the Prior Lien Obligations and similar funds maintained for the payment of obligations payable from and secured by a lien on and pledge of the Net Revenues shall never be considered as Operating and Maintenance Expenses.

(j) The term “Outstanding” when used in this Ordinance with respect to Certificates means, as of the date of determination, all Certificates theretofore issued and delivered under this Ordinance, except:

(1) those Certificates cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 21 hereof; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 20 hereof.

(k) The term “Prior Lien Obligations” shall mean (A) all revenue bonds or other obligations hereafter issued, payable solely from and secured only by a lien on and pledge of the Net Revenues of the System, and (B) obligations now outstanding and hereafter issued which by the terms of this Ordinance and the ordinances authorizing their issuance have a prior right and claim on the Net Revenues of the System to the claim and right securing the payment of the Certificates, including, but not limited to, the outstanding

(1) “City of Celina, Texas, Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2004”, dated October 1, 2004; and

(2) “City of Celina, Texas, Tax and Waterworks and Sewer System Revenue Certificates of Obligation, Series 2007”, dated September 1, 2007.

(l) The term “System” shall mean all plants, properties and facilities owned, operated and maintained by the City for the supply, storage and distribution of treated water and the collection, treatment and disposal of water-carried wastes, together with all future improvements, extensions, enlargements and additions thereto and replacements thereof.

SECTION 11: Certificate Fund. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Certificates, there shall be and is hereby created a special account or fund on the books and records of the City known as the “SPECIAL SERIES 2018 TAX AND REVENUE CERTIFICATE OF OBLIGATION FUND” (the “Certificate Fund”), and all moneys deposited to the credit of such fund shall be kept and maintained in a special banking account at the City’s depository bank. The Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Secretary, individually or collectively, of the City are hereby authorized and directed to make withdrawals from said fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and, shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the “Public Funds Investment Act” (Texas Government Code, Chapter 2256, as

amended) relating to the investment of “bond proceeds”; provided that all such investments shall be made in such a manner that the money required to be expended from said fund will be available at the proper time or times. All interest and income derived from deposits and investments in said Certificate Fund shall be credited to, and any losses debited to, the said Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 12: Tax Levy. To provide for the payment of the “Debt Service Requirements” on the Certificates being (i) the interest on said Certificates and (ii) a sinking fund for their payment at maturity or redemption or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied a sufficient tax on each one hundred dollars’ valuation of taxable property in said City, within the limitations prescribed by law, adequate to pay such Debt Service Requirements while the Certificates remain Outstanding, full allowance being made for delinquencies and costs of collection; and said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Council shall determine:

(1) The amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Net Revenues of the System, together with any other lawfully available revenues of the City, appropriated and allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(2) The amount of Net Revenues of the System, together with any other lawfully available revenues of the City, appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(3) The amount of Debt Service Requirements to become due and payable on the Certificates (or a sinking fund of 2% if greater than the amount due and payable on the Certificates) between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

Any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund from ad valorem taxes.

The City has sufficient current funds available and such funds are hereby appropriated to make the payments to become due on the Certificates on March 1, 2019 and September 1, 2019, and the Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Secretary of the City, individually or jointly, are hereby authorized and directed to transfer and deposit in the Certificate Fund such amount of current funds which will be sufficient to pay the amounts to become due on the Certificates on March 1, 2019 and September 1, 2019.

SECTION 13: Limited Pledge of Revenues. The City hereby covenants and agrees that, subject to the prior lien on and pledge of the Net Revenues of the System to the payment and security of Prior Lien Obligations, the Net Revenues of the System in an amount equal to \$1,000 are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates, and the limited pledge of \$1,000 of the Net Revenues of the System herein made for the payment of the Certificates shall constitute a lien on the Net Revenues of the System (until such time as the City shall pay all of such \$1,000, after which time the pledge shall cease) in accordance with the terms and provisions hereof. Furthermore, such lien on and pledge of the Net Revenues securing the payment of the Certificates shall be valid and binding and fully perfected from and after the date of adoption of this Ordinance without physical delivery or transfer or transfer of control of the Net Revenues, the filing of this Ordinance or any other act; all as provided in Texas Government Code, Chapter 1208, as amended ("Chapter 1208").

Chapter 1208 applies to the issuance of the Certificates and the pledge of the Net Revenues of the System granted by the City under this Section 13, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are Outstanding such that the pledge of the Net Revenues of the System granted by the City under this Section 13 is to be subject to the filing requirements of the Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Certificates 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 the Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 14: System Fund. The City covenants and agrees that all Gross Revenues (excluding earnings from the investment of money held in any special funds or accounts created for the payment and security of the Prior Lien Obligations) shall be deposited as collected into a fund maintained at an official depository of the City and known on the books of the City as the "System Fund" (hereinafter called the "System Fund"). All moneys deposited to the credit of the System Fund shall be allocated, dedicated and disbursed to the extent required for the following purposes and in the order of priority shown, to wit:

First: To the payment of all necessary and reasonable Operating and Maintenance Expenses of the System as defined herein or required by statute to be a first charge on and claim against the revenues thereof.

Second: To the payment of all amounts required to be deposited in the special Funds created and established for the payment, security and benefit of Prior Lien Obligations in accordance with the terms and provisions of the ordinances authorizing the issuance of Prior Lien Obligations.

Third: To the payment, equally and ratably, of the amounts pledged to the payment of the Certificates and Additional Obligations, if any.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 15: Deposits to Certificate Fund. Subject to the provisions of Section 13 hereof, the City hereby covenants and agrees to cause to be deposited in the Certificate Fund from the pledged Net Revenues of the System in the System Fund, the amount of Net Revenues of the System pledged to the payment of the Certificates.

The City covenants and agrees that the amount of pledged Net Revenues of the System (\$1,000), together with other lawfully available revenues appropriated by the City for payment of the debt service requirements on the Certificates and ad valorem taxes levied, collected, and deposited in the Certificate Fund for and on behalf of the Certificates, will be an amount equal to one hundred percent (100%) of the amount required to fully pay the interest and principal due and payable on the Certificates. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund from ad valorem taxes and the Net Revenues of the System.

SECTION 16: Security of Funds. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 17: Special Covenants. The City hereby further covenants as follows:

(a) It has the lawful power to pledge the Net Revenues of the System to the payment of the Certificates in the manner herein contemplated and has lawfully exercised such power under the Constitution and laws of the State of Texas, including said power existing under Texas Government Code, Chapter 1502, as amended, and Texas Local Government Code, Subchapter C of Chapter 271, as amended.

(b) Other than for the payment of the Prior Lien Obligations and the Certificates, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System.

SECTION 18: Issuance of Prior Lien Obligations and Additional Parity Obligations. The City hereby expressly reserves the right to hereafter issue Prior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, payable, in whole or in part, from the Net Revenues (without impairment of the obligation of contract with the Holders of the Certificates) upon such terms and conditions as the City Council may determine. Additionally, the City reserves the right to issue obligations payable, in whole or in part, from the Net Revenues of the System and, to the extent provided, secured by a lien on and pledge of the Net Revenues of equal rank and dignity with the lien and pledge securing the payment of the Certificates.

SECTION 19: Application of Prior Lien Obligations Covenants and Agreements. It is the intention of this governing body and accordingly hereby recognized and stipulated that the

provisions, agreements and covenants contained herein bearing upon the management and operations of the System, and the administering and application of revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements and covenants contained in the ordinances authorizing the issuance of the Prior Lien Obligations, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of the Prior Lien Obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of the Prior Lien Obligations.

SECTION 20: Mutilated - Destroyed - Lost and Stolen Certificates. In case any Certificate shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Certificate of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Certificate, or in lieu of and in substitution for such destroyed, lost or stolen Certificate, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Certificate, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Certificate shall be borne by the Holder of the Certificate mutilated, or destroyed, lost or stolen.

Every replacement Certificate issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Certificates.

SECTION 21: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and the Net Revenues of the System (to the extent such pledge of Net Revenues shall not have been discharged or terminated by prior payment of principal of or interest on the Certificates) and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at maturity or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to

the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Certificates such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 22: Ordinance a Contract - Amendments. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City while any Certificates remain Outstanding except as permitted in this Section and in Section 36 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount thereof, the redemption price or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 23: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“*Closing Date*” means the date on which the Certificates 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 Certificates.

“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 Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

“Rebate Amount” has the meaning set forth in Section 1.148 1(b) of the Regulations.

“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 Certificates. 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 Certificates 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 Certificate 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 Certificate, 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 Certificates:

(1) 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 Certificates, 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

(2) 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 Certificates 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. 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 Certificates 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.

(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 Certificates 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 Certificates.

(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 Certificates 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:

(1) 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 Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates 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.

(2) 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 Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Underwriters 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 pay to the United States from the construction fund, the general fund, or other appropriate fund or, if permitted by applicable Texas

statute, regulation or opinion of the Attorney General of the State of Texas, the Certificate Fund, the amount that when added to the future value of previous rebate payments made for the Certificates 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.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), 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 Certificates, 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 Certificates not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Secretary, individually or collectively, 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 Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 24: Sale of Certificates – Official Statement Approval. Pursuant to a public sale for the Certificates, the bid submitted by _____ (herein referred to as the "Underwriters") is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Certificates to said Purchaser at the price of par plus a cash premium of \$ _____ is hereby determined to be in the best interests of the City and is approved and confirmed. Delivery of the Certificates to the Underwriters shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The Initial Certificate shall be registered as provided in the winning bid.

The use of the Preliminary Official Statement by the Underwriters in connection with the public offering and sale of the Certificates is hereby ratified, confirmed and approved in all respects. The final Official Statement which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Secretary, any one or more of said officials), shall be and is hereby in all respects approved and the Underwriters are hereby authorized to use and distribute said final Official Statement, dated August 14, 2018, in the reoffering, sale and delivery of the Certificates to the public. The Mayor or Mayor Pro Tem and City Secretary are further authorized to deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Underwriters, and

such final Official Statement in the form and content authorized to be delivered by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Underwriters.

SECTION 25: Proceeds of Sale. The proceeds of sale of the Certificates, excluding amounts to pay costs of issuance, shall be deposited in a construction fund maintained at a depository bank of the City. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, as amended, including guaranteed investment contracts permitted by Texas Government Code, Section 2256.015 et seq., as amended, and the City's investment policies and guidelines, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by the City Council. Any surplus proceeds of sale of the Certificates, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund.

SECTION 26: Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending the sale of the Certificates, the investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Certificates, and shall take and have charge and control of the Initial Certificate(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Underwriters.

SECTION 27: Notices to Holders Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Certificates. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 28: Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be returned to the City.

SECTION 29: Bond Counsel's Opinion. The Underwriters' obligation to accept delivery of the Certificates is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel to the City, approving the Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Certificates. An executed

counterpart of said opinion shall accompany the global certificates deposited with DTC or a reproduction thereof shall be printed on the definitive Certificates in the event the book-entry-only system shall be discontinued.

SECTION 30: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 31: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, and this Ordinance and all its provisions is intended to be and shall be for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 32: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 33: 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 34: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 35: 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 36: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2018, financial information and operating data with respect to the City of the general type of information contained in tables 1 through 6, 8 through 14, 19 and 20 in the Official Statement, and (2) within twelve months after the end of each fiscal year ending in or after 2018, audited financial statements of the City. Any financial statements so provided shall be prepared in accordance with the accounting principles described in described in Appendix B to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. If audited financial

statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (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 Internal Revenue Service 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 Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City 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 City, 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 City.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) of this Section of any Certificate calls and defeasance that cause the City to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Certificates; and, nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section. Except as expressly provided within this Section, the City does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects; nor does the City undertake to update any information provided in accordance with this Section or otherwise. Furthermore, the City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates

in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificates. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Certificates from lawfully purchasing or selling Certificates in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 37: 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 and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 38: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Secretary are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Certificates. In addition, prior to the initial delivery of the Certificates, the Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Secretary or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Certificates by the Attorney General and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 39: Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble 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.

SECTION 40: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 41: Effective Date. This Ordinance shall take effect and be in full force from and after its adoption on the date shown below in accordance with Texas Government Code, Section 1201.028, as amended.

[Remainder of page left blank intentionally]

PASSED AND ADOPTED, this August 14, 2018.

CITY OF CELINA, TEXAS

Mayor

ATTEST:

City Secretary

(City Seal)

Attachment: 2018 Certificates of Obligation Ordinance (2018 - 43 : Certificates of Obligation)

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

Attachment: 2018 Certificates of Obligation Ordinance (2018 - 43 : Certificates of Obligation)



Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Kim Brawner, Director of Engineering
CC: Catherine Oduro, Engineer
Date: August 14, 2018
Re: Pump Station Improvement Professional Services

Action Requested:

Consider and act to authorize the City Manager to execute Work Order #11 between the City of Celina and Garver, LLC in the amount of \$466,188.00 for professional services in relation to the second phase of the Celina Road and Downtown Pump Stations improvements. (Brawner)

Background Information:

The ongoing water modeling project (Work Order #2) documented an immediate need for expansion of the pumping capacity at both the Celina Road Pump Station (CRPS) and the Downtown Pump Station (DTPS). These expansions are needed to provide the projected capacity due to planned development. The project will include the design of new pumps, piping and associated appurtenances along with SCADA improvements.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

2018 Bond Issuance

Legal Review:

N/A

Supporting Documents:

Garver Work Order #11

Staff Recommendation:

Approve



WORK ORDER NO. 11
City of Celina
Celina, Texas
Project No. 18088190

This WORK ORDER is made by and between the **City of Celina of Celina, Texas**, hereinafter referred to as "Owner," and **GARVER, LLC**, hereinafter referred to as "GARVER", in accordance with the provisions of the MASTER AGREEMENT FOR PROFESSIONAL SERVICES executed on November 10, 2015.

Under this Work Order, the Owner intends to make the following improvements for the **Celina Pump Stations Improvements Phase II**.

The ongoing water modeling project (Work Order #2) and subsequent population and flow projections have documented an immediate need for expansion of the pumping capacity at both the Celina Road Pump Station (CRPS) and the Downtown Pump Station (DTPS). These expansions are needed to provide the projected capacity due to planned development. The project will include the design of new pumps, piping and associated appurtenances, along with SCADA improvements.

SECTION 1 - SCOPE OF SERVICES

Task 1.0 Preliminary Design

The preliminary design will provide a 30% set of drawings, along with an opinion of probable construction cost, for the design of: upgrading the pump capacity through the addition of two new pumps at the CRPS and one pump at the DTPS, relocation of the existing SCADA system, recoating of the Celina Road Ground Storage Tank (GST), new wrought iron fencing at the DTPS, and demolition of the existing abandoned DTPS building with four existing pumps.

1.1 Project Kickoff

The project kickoff meeting will be held at the Owner's location with up to two GARVER staff. GARVER will discuss the project schedule and detail the project scope.

1.2 Pump and Piping Design

One new pump will be implemented at the DTPS. The pump will match the pumps that were installed in Phase I, which have a design point of 3,200 gpm at 240 feet of head. Two new pumps will be installed at the CRPS, and will match the pumps installed in Phase I which have a design point of 3,700 gpm at 275 feet of head. Variable frequency drives will be included for the new pumps, and associated electrical improvements will also be implemented.

1.3 Backup Power and SCADA Design

The design will incorporate the new pumps at both locations into the backup power system and SCADA system. SCADA integration will include process and instrumentation diagrams (P&IDs), which document existing and desired level of monitoring and control, as well as an updated SCADA infrastructure map for the facilities.

The design will include an additive alternative for an additional generator sized identically to the new generator at the CRPS. Each generator is capable of powering two of the 3,700 gpm pumps.

The design will also incorporate relocation of the existing SCADA workstation. The workstation will be relocated from the decommissioned DTPS building to the new laboratory area of the newly renovated DTPS building.



1.4 Demolition

The exiting DTPS building currently houses four existing pumps, one SCADA workstation and a small chlorine room. The design will incorporate demolition of the building, pumps, discharge piping, and relocation of the existing generator to the Owner's public works office.

1.5 Site Fencing Improvements

The design will incorporate new wrought iron fencing, similar to the Light Farms elevated storage tower location. This fencing will be incorporated at the DTPS location only and will be compliant with TCEQ requirements. No improvements will be made to the CRPS site fencing.

1.6 CRPS Recoating

The design will incorporate recoating of the CRPS to match existing tank colors and logo. The tank is not able to be placed out of service for an extended period of time. Therefore, only the exterior of the tank will be recoated.

1.8 Preliminary Design Workshop

Upon submission of the preliminary design drawings, GARVER will host a workshop at the Owner's location with up to two GARVER staff. Major items of discussion will include process design criteria, P&ID development, site layout, demolition, and construction sequencing.

1.9 Deliverables

The preliminary design phase will represent approximately 30 percent of final construction contract plans. The preliminary design phase submittal will include a submittal of preliminary plans, preliminary list of specifications, and an opinion of probable construction cost. This submittal will not include complete technical specifications or "front end" contract documents.

The following will be submitted to the Owner, or others as indicated, by the Engineer:

1. Three (3) half size (11"x17") copies and a digital copy in PDF format of the conceptual (30%) plans, a list of anticipated specifications, and opinion of probable construction cost to Owner.

Task 2.0 Final Design

During the final design phase of the project, GARVER will conduct final designs to prepare construction plans and specifications for one (1) construction contract, including final construction details and quantities, special provisions, and opinion of probable construction cost. The final design phase is anticipated to have three major submittals: 60%, 90%, and 100%.

2.1 Contract Documents

Based upon the results of the approved preliminary design by the Owner, GARVER will develop the detailed plans and specifications as a part of the Final Design for a single construction contract. GARVER will utilize the Owner's Engineers Joint Council Documents Committee (EJCDC) standard documents as a base for developing the project's front end documents. The front end documents shall include proposal forms, notice to bidders, bid forms, bond forms, and other information as required by the Owner to competitively bid the work. Jointly agreed-to requirements of the Owner's standard front end documents will be incorporated in the Supplementary Conditions as necessary. EJCDC's standard General Conditions shall be utilized with edits being provided by the Supplementary Conditions. Multiple design scenarios or bid packages and/or pre-purchased equipment packages are not included as part of the level of effort provided with this Agreement.



2.2 Deliverable Progress Meetings

GARVER will conduct a 60% and 90% progress meeting in Celina with up to two (2) GARVER staff at each meeting. The purpose of the meetings is to deliver the contract document submittal at the respective meeting, discuss any significant changes to the design and OPCC, and receive Owner comments.

Upon completion of the 90% progress meeting, GARVER will proceed with regulatory review and coordination (described in the following subtask). Owner comments are anticipated within two weeks of each progress meeting.

Following receipt of Owner's 90% review comments and TCEQ approval, GARVER will prepare 100% deliverable for the Owner to bid the project.

2.3 Regulatory Review and Coordination

This task will consist of the following:

- GARVER will coordinate submittal of the 90% complete documents to TCEQ for regulatory compliance review and comments.
- GARVER will coordinate and develop responses to regulatory review comments as directed by Owner.

2.4 Deliverables

This task will consist of the following deliverables:

- 60% half-size (11"x17") plans, specifications, and OPCC: Three (3) hard copies to the Owner and one (1) hard copy to TCEQ.
- 90% half-size (11"x17") plans, specifications, and OPCC: Three (3) hard copies to the Owner and one (1) hard copy to TCEQ.
- Two deliverable progress meetings
- 100% half-size (11"x17") plans, specifications, and OPCC: Three (3) hard copies to the Owner and one hard copy (11"x17") to TCEQ (if requested by TCEQ).

Task 3.0 Bidding Services

This task will accomplish the following:

3.1 Bidding Assistance

The bidding period for bidders is anticipated to extend for a 30-day duration. During the bidding period phase of the project, GARVER will:

1. Prepare and submit Advertisement for Bids to newspaper(s) for publication as directed by the Owner. Owner will pay advertising costs outside of this contract.
2. Post advertisement for bids, construction contract documents, and any associated information to GARVER's online plan room for download by prospective bidders (at an appropriate cost for handling).
3. Support the contract documents by preparing addenda as appropriate and posting on GARVER's online plan room.



4. Participate in a pre-bid meeting.
5. Prepare a pre-bid meeting memorandum. Following Owner authorization, post the pre-bid meeting memorandum with attendance record on GARVER's online plan room.
6. Participate and chair a construction site tour by interested pre-bid meeting attendees and other interested parties.
7. Attend the bid opening.
8. Prepare bid tabulation.
9. Evaluate bids and recommend award.
10. Prepare construction contracts.
11. Prepare conformed documents (one full size set delivered to Owner).

If the bid phase extends beyond the anticipated 30 days, an additional Amendment will be necessary to extend these services.

Task 4.0 Construction Administration Services

During the construction phase of work, GARVER will accomplish the following:

1. Issue a Notice to Proceed letter to the Contractor.
2. Attend one preconstruction meeting.
3. Attend one utilities coordination meeting.
4. Attend six progress/coordination meetings with the Owner/Contractor.
5. Evaluate and respond up to twenty construction material submittals and shop drawings.
Additional submittal and shop drawing reviews will be considered Extra Work. Corrections or comments made by GARVER on the shop drawings during this review will not relieve Contractor from compliance with requirements of the drawings and specifications. The check will only be for review of general conformance with the design concept of the project and general compliance with the information given in the contract documents. The Contractor will be responsible for confirming and correlating all quantities and dimensions, selecting fabrication processes and techniques of construction, coordinating his work with that of all other trades, and performing his work in a safe and satisfactory manner. GARVER's review shall not constitute approval of safety precautions or constitute approval of construction means, methods, techniques, sequences, procedures, or assembly of various components. When certification of performance characteristics of materials, systems or equipment is required by the Contract Documents, either directly or implied for a complete and workable system, GARVER shall be entitled to rely upon such submittal or implied certification to establish that the materials, systems or equipment will meet the performance criteria required by the Contract Documents.
6. Issue up to ten instructions to the Contractor on behalf of the Owner and issue necessary clarifications (respond to RFIs) regarding the construction contract documents. If Garver is requested to respond to additional RFIs, it will be considered Extra Work.
7. Review up to seven (7) of the Contractor's progress payment requests based on the actual quantities of contract items completed and accepted, and will make a recommendation to the Owner regarding payment. GARVER's recommendation for payment shall not be a representation that GARVER has made exhaustive or continuous inspections to (1) check the quality or exact quantities of the Work; (2) to review billings from Subcontractors and material suppliers to substantiate the Contractor's right to payment; or (3) to ascertain how the Contractor has used money previously paid to the Contractor.
8. Participate in final project inspection, prepare punch list, review final project closing documents, and submit final pay request.
9. Prepare and furnish record drawings based on contractor redlines.



The proposed fee for Construction Phase Services is based on a 180-calendar-day construction contract performance time. If the construction time extends beyond the time established in this agreement, and the Owner wants GARVER to continue the applicable Construction Phase Services, the Owner will pay GARVER an additional fee agreed to by the Owner and GARVER.

SCADA programming and applications engineering services are not included in this Task. If desired by the Owner, the work associated with those services will be considered Special Services.

Task 5.0 Special Services

Additional professional services may be needed during the project timeline. These special services are anticipated to include, but not limited to applications engineering and SCADA programming during construction. Special services will only be conducted as directed and authorized by the Owner in writing prior to conducting special services work.

SECTION 2 - PAYMENT

For the work described under SECTION 1 - SCOPE OF SERVICES, Tasks 1-5, the Owner will pay GARVER on a lump sum basis. The Owner represents that funding sources are in place with the available funds necessary to pay GARVER.

The table below presents a summary of the fee amounts and fee types for this contract. A breakout of costs associated with each Task is provided in Appendix A.

WORK DESCRIPTION	FEE AMOUNT	FEE TYPE
Task 1 – Preliminary Design	\$77,526	
Task 2 – Final Design	\$132,716	
Task 3 – Bidding Services	\$36,124	
Task 4 – Construction Administration Services	\$144,822	
SUBTOTAL PROFESSIONAL SERVICES	\$391,188	
Task 5 - Special Services	\$75,000	
TOTAL FEE	\$466,188	

The lump sum amount to be paid under this agreement is \$466,188.

The Owner will pay GARVER on a monthly basis, based upon statements submitted by GARVER to the Owner indicating the estimated proportion of the work accomplished. Payments not received within 60 days of invoice date will be subject to a one percent monthly simple interest charge. Any unused portion of the fee, due to delays beyond GARVER's control, will be increased 6% annually with the first increase effective on or about July 1, 2020.



SECTION 3 – ADDITIONAL SERVICES (EXTRA WORK)

For work not described or included in Section 1 – Scope of Services, Additional Services will be as directed by the Owner in writing for an additional fee as agreed upon by the Owner and GARVER.

The following services are not included as part of the basic services and will be performed at the request of the Owner and with additional compensation:

1. Geotechnical investigation.
2. Asbestos or lead abatement consideration of existing structures.
3. Survey of any kind.
4. Building expansion of existing chemical storage or feed facilities.
5. Evaluation of alternative chemical feed regimes.
6. Structural expansion of the existing pump stations.
7. Construction staking for survey.
8. Construction observation.
9. Startup and commissioning.
10. Classroom training.
11. Risk Management Plans associated with any increase in chlorine storage.
12. Operations and Maintenance Manual updates.
13. Funding assistance.
14. Easement or property acquisition documents.
15. Pre-qualification services for evaluating contractors to develop a pre-qualified list of eligible contractors prior to bidding the project.
16. Evaluation of alternative chemical feed schemes or alternative chemicals.
17. Water testing.
18. Design of improvements off-site.
19. Design for any new ground storage facilities.
20. Utility relocation coordination or design.
21. Redesign or surveying for the City's convenience or due to changed conditions after previous alternate direction and/or approval.
22. Submittals or deliverables in addition to those listed herein.
23. Invasive or non-invasive structural evaluation techniques beyond visual observation of existing structures at grade and existing record drawings.
24. Preparation of a Storm Water Pollution Prevention Plan (SWPPP).
25. Construction materials testing.
26. Environmental Handling and Documentation beyond those previously identified, including wetlands identification or mitigation plans or other work related to environmentally or historically (culturally) significant items.
27. Floodplain delineation and coordination with FEMA and preparation/submittal of a CLOMR and/or LOMR.
28. Extra Meetings.
29. Architectural Review Workshops, for either structures or site improvements.



SECTION 4 – SCHEDULE

The following schedule details the anticipated milestones and delivery dates for each deliverable.

Work Item	Duration from Notice to Proceed
Task 1 – Preliminary Design	60 days
Task 2 – Detailed Design	60 days from acceptance of Preliminary Design
Task 3 – Bidding Services	45 days
Task 4 – Construction Administration Services	180 days from Contractor's Notice to Proceed
Task 5 – Special Services	Concurrent with prior tasks

DRAFT

Attachment: Draft Work Order 11 (Pump Station Improvements Phase 2)



This Agreement may be executed in two (2) or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Approval and acceptance of this Work Order shall incorporate this document as part of the Agreement. GARVER is authorized to begin performance upon receipt of a copy of this Work Order signed by the Owner. The effective date of this Work Order shall be the last date written below.

City of Celina

GARVER, LLC

By: _____
Signature

By: _____
Signature

Name: _____
Printed Name

Name: _____
Printed Name

Title: _____

Title: _____

Date: _____

Date: _____

Attest: _____

Attest: _____

Attachment: Draft Work Order 11 (Pump Station Improvements Phase 2)



City Secretary
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Vicki Faulkner, City Secretary
CC: Jason Laumer, City Manager
Date: August 14, 2018
Re:

Action Requested:

Consider and act upon a request for variance from the City's Code of Ordinances regarding the distribution of alcohol and consumption of same on the downtown square during the Greater Celina Chamber of Commerce Oktoberfest Event on Saturday, October 13, 2018 from 11:00am-10:00pm. (Chamber of Commerce)

Background Information:

The City has received a written request for variance to serve alcoholic beverages at the Greater Celina Chamber of Commerce Oktoberfest Event on the Downtown Square.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:

Letter of request.

Staff Recommendation:

2018 Board of Directors

Justin Steiner – Chairman
Legacy Mutual Mortgage

Cindy Peters – Past Chairman
Ebby Halliday, Prosper/Celina

Chad Cunningham –
Chairman Elect
Saddleback Roofing

Karla Scheve - Secretary
Financial Advisor TM

Chad Anderson
Moyer Anderson Insurance Group

Michelle Meeks
Crossland Construction

Dr. Josh Forbes
Synergy Chiropractic Wellness

Connor Nichols
Herrin Real Estate

Caleb Lavey
Rex Real Estate

Bill Hemby
Celina ISD

CELINA STAR MEMBERS

Austin Bridge & Road
Independent Bank
Lamar National Bank
Light Farms
Texas Star Bank

312 W. Walnut, Celina, TX 75009

www.celinachamber.org

972-382-3300



July 20, 2018

Celina City Council
142 North Ohio Street
Celina, TX 75009

Dear City Council Members,

The Greater Celina Chamber of Commerce is planning the upcoming 2018 Oktoberfest for Saturday, October 13th, 2018. The event will be held on the Historic Downtown Celina Square.

We are asking the city for a 1-day variance to serve alcoholic beverages at our event, which will be held on property that is owned by the City of Celina. The event time is from 11am to 10pm. The Chamber will have a temporary TABC alcohol permit for the day. We have hired TABC certified bartenders and we are purchasing our alcohol from Ben E. Keith Distributing.

At this time, we are asking that you approve our request for this variance. If you have any questions, please contact me at 469-207-6136.

Thank you,

Melissa Cromwell
President
The Greater Celina Chamber of Commerce



**THE REWARDS OF BELONGING TO THE GREATER CELINA CHAMBER OF
COMMERCE ARE FULLTIME REPRESENTATION AND
YEAR-ROUND RESULTS!**

Attachment: Chamber of Commerce request (Variance to serve alcoholic beverages)