



**NOTICE OF
CITY COUNCIL SPECIAL MEETING
CITY HALL CONFERENCE ROOM 142 N. OHIO DRIVE, CELINA, TX 75009
Friday, March 23, 2018 AT 3:00 PM**

AGENDA

I. CALL TO ORDER AND ANNOUNCE A QUORUM PRESENT:

II. PUBLIC HEARING:

1. The Celina City Council will conduct a public hearing to consider testimony regarding the proposed assessments to be levied against the assessable property within The Columns Public Improvement District (PID), pursuant to the provisions of Chapter 372 of the Texas Local Government Code. The property is a ±48.784 acre tract of land situated in the John Ragsdale Survey, Abstract No. 734, City of Celina, Collin County, Texas and being a portion of those tracts of land conveyed to Lucas Celina 209, LTD, Collin County, Texas, and is generally located south of County Road 51, north of Punk Carter Parkway, east of Dallas Parkway, and west of Light Farms Way. (The Columns) (DeBuff)
2. The Celina City Council will conduct a public hearing on the proposed assessments to be levied against the assessable property within the Chalk Hill Public Improvement District No. 2 (PID) and a final Service and Assessment Plan, pursuant to the provisions of Chapter 372 of the Texas Local Government Code. (Chalk Hill) (DeBuff)

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

1. 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 Assessment and Phase #1 Assessment Roll for the Chalk Hill Public Improvement District No. 2; making a finding of Special Benefit to the property in the District, levying special 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; and providing penalties and interest on delinquent assessments. (Chalk Hill Ph 1 SAP) (DeBuff)
2. Consider and act upon an ordinance of the City Council of the City of Celina, Texas, approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phase #1 Project) and approving and authorizing related agreements. (Chalk Hill Ph 1 PID Bonds) (DeBuff)

3. 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 Assessment and Phases #2 – 3 Major Improvement Assessment Roll for the Chalk Hill Public Improvement District No. 2; making a finding of Special Benefit to the property in the District, levying special 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 – 3 Assessments, in accordance with Chapter 372, Texas Local Government Code, as amended; and providing penalties and interest on delinquent assessments. (Chalk Hill Ph 2-3 SAP) (DeBuff)
4. Consider and act upon an ordinance of the City Council of the City of Celina, Texas, approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2 – 3 Major Improvement Project) and approving and authorizing related agreements. (Chalk Hill Ph 2-3 PID Bonds) (DeBuff)
5. Consider and act upon an ordinance of the City of Celina, Texas, rescinding, revoking and declaring as void ab initio contracts with the City if all parties have not signed and returned signatures to the City within 180 days from the date of City Council action; providing for a cumulative repealer clause; providing for severability; providing for engrossment and enrollment; and providing for an effective date of March 23, 2018.

IV. ACTION:

1. Consider and act upon the approval of a Chapter 43 Pre-Annexation Development Agreement for the Overlook at Wilson Creek, a Single Family Residential Development on an approximately 61.035 acre tract of land situated in the McKinzie Wilhite Survey, Abstract 1008 & 1009. The property is generally located east of County Road 86, North of County Road 83, South of Choate Parkway and west of FM 2478; (Overlook at Wilson Creek)

V. WORKSHOP:

1. Discussion regarding street signs. (Brawner)
2. Discussion regarding fire station location, land, construction, and police facilities. (Metdker)
3. Discussion regarding downtown changes. (Jackson)
4. Discussion regarding temporary parking. (Jackson)
5. Discussion regarding Cambridge Crossing and Parks at Wilson Creek Developments. (Laumer)
6. Discussion regarding hours of operation. (Laumer)
7. Discussion regarding annexation policy. (Laumer)
8. Discussion regarding senior tax freeze. (Laumer)
9. Discussion regarding Public Improvement District (PID) and Tax Increment Reinvestment Zone (TIRZ) policies. (Laumer)

VI. ADJOURNMENT:

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

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



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

Date Notice Removed



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: March 23, 2018
Re: The Columns PID SAP Public Hearing (cont'd from Feb. 13)

Action Requested:

The Celina City Council will conduct a public hearing to consider testimony regarding the proposed assessments to be levied against the assessable property within The Columns Public Improvement District (PID), pursuant to the provisions of Chapter 372 of the Texas Local Government Code. The property is a ±48.784 acre tract of land situated in the John Ragsdale Survey, Abstract No. 734, City of Celina, Collin County, Texas and being a portion of those tracts of land conveyed to Lucas Celina 209, LTD, Collin County, Texas, and is generally located south of County Road 51, north of Punk Carter Parkway, east of Dallas Parkway, and west of Light Farms Way. (The Columns) (DeBuff)

Background Information:

This public hearing is to provide a forum for comments regarding the levying of assessments related to The Columns Public Improvement District (PID).

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

- The Columns PID Preliminary Service and Assessment Plan

Staff Recommendation:

Staff recommends that the hearing be continued and action is tabled to the April 10th meeting.

Draft

THE COLUMNS
PUBLIC IMPROVEMENT DISTRICT
PRELIMINARY SERVICE AND ASSESSMENT PLAN

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))

NOVEMBER 29, 2017

THE COLUMNS PUBLIC IMPROVEMENT DISTRICT
PRELIMINARY SERVICE AND ASSESSMENT PLAN

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Section I PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On November 14, 2017 (the “Creation Date”) the City Council (the “City Council”) of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2017-203R approving and authorizing the creation of the Columns Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in such public improvement district (the “Authorized Improvements”), all of which is located within the City.

The property in the PID is proposed to be developed as one phase, and the PID will finance public improvements as the property is developed. Assessments will be imposed on the property for the public improvements to be constructed.

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

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

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

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

B. Definitions

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

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, 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 may include general contractor’s fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and codes with respect to the Bonds, (viii) the Trustee 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 a series of Bonds or identified in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessments including any applicable interest, as shown on the Assessment Roll attached hereto as Appendix D, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Administrative Expenses, and (iii) the Prepayment and Delinquency Reserve described in Section V.F. of this Service and Assessment Plan.

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

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

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

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

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

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

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

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

“Bonds” mean any bonds issued for financing the Authorized Improvements, including the Series ____ Bonds, in one or more series and secured in whole or in part by the Assessment Revenues.

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

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

“City” means the City of Celina, Texas.

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

“County” means Collin County, Texas.

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

“Developer” means CADG Celina Outer Loop, LLC, a Texas limited liability company and its successors and assigns.

“Development Agreement” means that certain Development Agreement relating to the PID executed by and between the Developer and the City effective October 31, 2017, as the same may be amended from time to time.

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

“Homeowner Association Property” or **“(HOA Property)”** means property within the PID owned by or irrevocably offered for dedication to, whether in fee simple or through an easement, a Homeowners’ Association established for the benefit of a group of homeowners or property owners within the PID.

“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.

“Non-Benefited Property” means Parcels that accrue no special benefit from the Authorized

Improvements, including 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.D.

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

“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.

“Planned Development District” means the zoning classification established as PD – Planned Development District #84 pursuant to Ordinance 2017-33 adopted by the City Council designating the zoning and development standards.

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

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

“Public Property” means property, right of way and easements 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 or political subdivision, whether in fee simple or through an exclusive use easement.

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

“TIRZ No. 9” means the Tax Increment Reinvestment Zone No. 9, City of Celina, Texas.

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

“TIRZ Ordinance” means an ordinance adopted by the City Council authorizing the use of TIRZ Revenues for project costs under the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, relating to certain public improvements as provided for in the Tax Increment Reinvestment Zone No. Nine 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. 9 tax

increment fund pursuant to the TIRZ Ordinance to reduce an Annual Installment, as calculated each year by the Administrator in collaboration with the City, in accordance with Section VI.A. of this Service and Assessment Plan.

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

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

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Section II PROPERTY INCLUDED IN THE PID

Property Included in the PID

The PID is presently located within the City and contains approximately 48.784 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 261 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (261) 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 – 40 Feet	261	units
Total	261	units

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

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 at this time to undertake only Authorized Improvements listed in Section III.B. below and described in Appendix B and shown on the diagram included as Appendix C for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

B. Description of the Authorized Improvements

The descriptions of the Authorized Improvements are presented below and the estimated costs of the Authorized Improvements are shown in Table III-A. The estimated costs shown in Table III-B may be revised in an Annual Service Plan Update as needed.

Roadway improvements: The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water distribution system improvements: The water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary sewer collection system improvements: The sanitary sewer collection system improvements within 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 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.

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

The estimated costs of the Authorized Improvements shown in Tables III-A may be revised in Annual Service Plan Updates. 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). The detailed costs of the Authorized Improvements are shown in Appendix B to this Service and Assessment Plan.

Table III-A
Authorized Improvements - Authorized Improvements

Description	Estimated Costs
Roadway improvements	\$3,104,797
Water improvements	\$604,982
Sanitary sewer improvements	\$506,958
Storm drainage improvements	\$1,881,993
Screening and landscape improvements	\$844,870
Other soft costs including PID creation costs	\$1,306,594
Total Improvement Costs	\$8,250,195

Additionally, the Developer plans to construct certain improvements within the PID over a period of approximately five years including amenities, landscaping, hardscaping and other miscellaneous items (collectively, the “Private Costs”) to serve the entire PID. The Private Costs will be paid entirely by the Developer without any reimbursement through the PID.

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Section IV SERVICE PLAN

A. Sources and Uses of Funds

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five year period. It is anticipated that it will take approximately 18 months to construct the Authorized Improvements.

The Budgeted Costs for the Authorized Improvements plus costs related to the issuance of the Series ____ Bonds, in one or more series, and payment of expenses incurred in the establishment, administration and operation of the PID are \$10,770,195 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Actual Costs of the Authorized Improvements, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

Table IV-A
Estimated Sources and Uses

Sources of Funds	Series 2018 Bonds
Par amount	\$7,500,000
Other funding sources	\$3,270,195
Total Sources	\$10,770,195
Uses of Funds	
<u><i>Authorized Improvements</i></u>	
Road improvements	\$3,104,797
Water distribution system improvements	\$604,982
Sanitary sewer improvements	\$506,958
Storm drainage improvements	\$1,881,993
Screening and landscaping improvements	\$844,870
Other soft and miscellaneous costs	\$1,306,594
<i>Subtotal: Authorized Improvements</i>	<i>\$8,250,195</i>
<u><i>Estimated Bond Issuance Costs</i></u>	
Capitalized interest	\$975,000
Reserve fund	\$600,000
Administrative expenses fund	\$45,000
Other costs of issuance including underwriter's discount	\$900,000
<i>Subtotal: Estimated Bond Issuance Costs</i>	<i>\$2,520,000</i>
Total Uses	\$10,770,195

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))

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 and Annual Projected Indebtedness

		Annual Projected Indebtedness (Series _____)	Sources other than Series _____ Bonds
2018	\$10,770,195	\$7,500,000	\$3,270,195
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
2021	\$0	\$0	\$0
2022	\$0	\$0	\$0
Total	\$10,770,195	\$7,500,000	\$3,270,195

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

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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 anticipates a series of bond financings that are intended to finance the public infrastructure required for the development. This financing may be undertaken in phases to coincide with the private investment and development of the Authorized Improvements.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Authorized Improvement Costs shall be allocated equally on the basis of the number of Lots 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.

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

B. Special Benefit

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

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

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

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

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

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

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

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of

- providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
 4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
 5. Financing of the costs of the Authorized Improvement through the PID is determined to be beneficial; and,
 6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. Assessment Methodology

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

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Authorized Improvements shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of units.

Based on the Actual Costs of the Authorized Improvements provided by the Developer, as set forth in Table III-A, the City Council has determined that the benefit to the Assessed Property is equal to or greater than the Assessments to be levied on the Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to the Parcel will then be apportioned pro rata based on the number of units on 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 number of units applicable at the time residential Lots are platted to the total number of 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.

As shown in Section IV of this Service and Assessment Plan, the total amount of the Series _____ Bonds, which represents the total Assessment to be allocated on all Parcels within the PID, is \$7,500,000. There are a total of 261 estimated residential units for the residential development within the PID, resulting in an Assessment per unit of \$28,735.63 ($\$7,500,000 \div 261 = \$28,735.63$).

Type	Planned No. of Units	Assessment per Unit	Total Assessments
40 Ft Lots	261	\$28,735.63 per dwelling unit	\$7,500,000
Total	261		\$7,500,000

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

D. Assessments

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

E. Administrative Expenses

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

F. Prepayment and Delinquency 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 “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 0.5% 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 to pay for Administrative Expenses, improvement costs, any other use that benefits the Assessed Property or redeem Bonds and reduce the Assessments, as determined by the City Council.

G. TIRZ Annual Credit Amount

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of such Parcel’s Annual Installments (the “TIRZ Annual Credit Amount”). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to the Parcel then on deposit in the TIRZ No. 9 tax increment fund. The TIRZ Annual Credit Amount applicable to each Parcel shall be calculated as described under Section VI.A. of this Service and Assessment Plan.

Section VI TERMS OF THE ASSESSMENTS

A. Amount of Assessments and Annual Installments for Parcels Located Within the PID

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

The Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Series _____ Bonds, (ii) 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 TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2018 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2019). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The Equivalent Units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

B. Reallocation of Assessments

1. Subdivision

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

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

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated number of units to be built on each new subdivided Parcel
- D = the sum of the estimated number of 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.

C. Mandatory Prepayment of Assessments

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.
2. 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.

E. Reduction of Assessments

1. If, after all Authorized Improvements to be funded with a series of Bonds have been completed and Actual Costs for such Authorized Improvements are less than the Authorized Improvement Costs used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If after all Authorized Improvements to be funded with a series of Bonds have been completed and a portion of the Bonds have been redeemed using the TIRZ Annual Credit Amounts or other funds available to the City, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the remaining

outstanding amount(s) of the Bonds after such redemptions. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds.

3. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Administrative Expenses, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on Equivalent Units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Collection Costs. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the Bonds is equal to the outstanding principal amount of the Bonds.

F. Payment of Assessments

1. Payment in Full

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

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect interest, administrative expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each

year in the amounts shown on the Assessment Roll, as updated as provided for herein, which include interest, Administrative Expenses, and payments required for the Prepayment Reserve and Delinquency Reserve. Payment of the Annual Installments shall commence with tax bills mailed after the levy of the Assessments.

Each Assessment shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds. The Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated interest rate of 6.5%, and an additional interest at the rate of 0.5% for Prepayment and Delinquency Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Roll, shown as Appendix D, will be updated with the actual interest rates on the Series _____ Bonds.

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

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

G. Collection of Annual Installments

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

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

Section VII THE ASSESSMENT ROLL

A. Assessment Roll

Assessed Property will be assessed for the special benefits conferred upon such property as a result of the Authorized Improvements. Table IV-A summarizes the \$10,817,754 in special benefit received by the Assessed Property from the Authorized Improvements, costs associated with the PID formation, and costs related to the issuance of the Series _____ Bonds. The total par amount of Series _____ Bonds is \$7,500,000 which is less than the benefit received by the Assessed Property, and as such the total Assessment for all Assessed Property within the PID is \$7,500,000 plus annual Administrative Expenses, the additional interest for Prepayment and Delinquency Reserve and Delinquent Collection Costs, if any. The Assessment for each Parcel of Assessed Property within the PID is calculated based on the allocation methodologies described in Section V.C. of this Service and Assessment Plan. The Assessment Roll is attached hereto as Appendix D.

C. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the 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 and 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.F. of this Service and Assessment Plan. The Assessment Roll shall be updated, which update may be done in the next Annual Service Plan Update, to reflect the issuance of additional Bonds, if any.

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, Prepayment Costs and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable "Notice of the PID Assessment Termination".

C. Amendments

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

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

Parcels:

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

D. Administration and Interpretation of Provisions

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

E. Severability

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

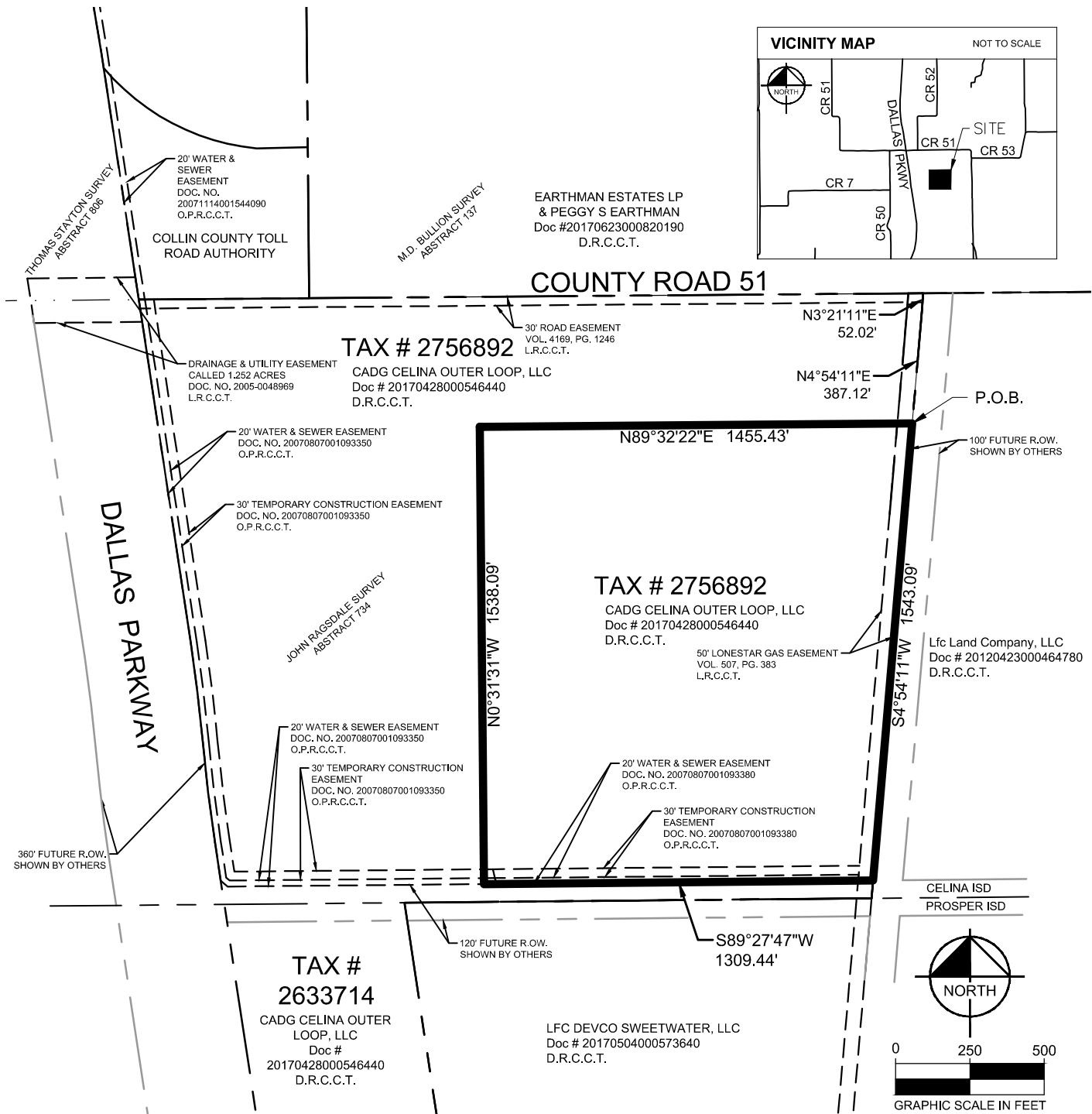
If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the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

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Appendix A

THE PID MAP

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))



This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

**THE COLUMNS PUBLIC
IMPROVEMENT DISTRICT
COLLIN CAD TAX PARCEL EXHIBIT**

**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

Scale
1" = 500'

Drawn by
SEP

Checked by
KHA

Date
Sept. 28, 2017

Project No.
064040007

Sheet No.
2 OF 2

Appendix B
AUTHORIZED IMPROVEMENT COSTS

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST

IMPORTANT NOTES INCLUDED

KIMLEY-HORN AND ASSOCIATES				PHASE 1	TOTAL
PROJECT NAME:	Lucas Tract Mixed Use Development	NET ACRES:	48.8	NO. OF LOTS:	261
CITY:	Celina, Texas	GROSS ACRES:	48.8	CREATED BY:	TLF
JOB NUMBER:	064040007.1.105	CREATED:	5/30/2017	CHECKED BY:	TLF
FILE NAME:	The Columns OPC Interior.xlsx	PRINTED:	5/31/2017	REVISED BY:	BTL

A. WATER						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
8" P.V.C. WATERLINE	LF	\$25.00	8,770	\$219,250.00	8,770	\$219,250.00
8" GATE VALVE & BOX	EA	\$1,250.00	30	\$37,500.00	30	\$37,500.00
1" WATER SERVICE	EA	\$800.00	261	\$208,800.00	261	\$208,800.00
1" OPEN SPACE SERVICE	EA	\$800.00	1	\$800.00	1	\$800.00
1" IRRIGATION SERVICE	EA	\$800.00	2	\$1,600.00	2	\$1,600.00
2" IRRIGATION SERVICE	EA	\$1,500.00	1	\$1,500.00	1	\$1,500.00
FIRE HYDRANT ASSEMBLY	EA	\$4,100.00	24	\$98,400.00	24	\$98,400.00
CONNECT TO EXISTING 12"	EA	\$3,500.00	1	\$3,500.00	1	\$3,500.00
CONNECT TO EXISTING 18"	EA	\$5,500.00	1	\$5,500.00	1	\$5,500.00
4" PVC SLEEVES (IRRIGATION)	LF	\$15.00	500	\$7,500.00	500	\$7,500.00
TRENCH SAFETY	LF	\$0.50	8,770	\$4,385.00	8,770	\$4,385.00
WATER TESTING (EXCLUDING GEOTECH)	LF	\$0.50	8,770	\$4,385.00	8,770	\$4,385.00
BONDS	PERCENT	2.00%	593,120.00	\$11,862.40	593,120	\$11,862.40
TOTAL WATER						
				\$604,982.40	\$604,982.40	

B. SEWER						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
8" P.V.C. SEWERLINE	LF	\$28.00	8,470	\$237,160.00	8,470	\$237,160.00
STUB & PLUG	EA	\$500.00	1	\$500.00	1	\$500.00
4' DIAMETER MANHOLE	EA	\$3,500.00	21	\$73,500.00	21	\$73,500.00
CONCRETE ENCASEMENT	LF	\$35.00	240	\$8,400.00	240	\$8,400.00
4" SERVICE	EA	\$600.00	261	\$156,600.00	261	\$156,600.00
6" OPEN SPACE SERVICE	EA	\$800.00	1	\$800.00	1	\$800.00
CONNECT TO EXISTING	EA	\$1,000.00	1	\$1,000.00	1	\$1,000.00
TRENCH SAFETY	LF	\$1.00	8,470	\$8,470.00	8,470	\$8,470.00
SANITARY SEWER TESTING (EXCLUDING GEOTECH)	LF	\$1.25	8,470	\$10,587.50	8,470	\$10,587.50
BONDS	PERCENT	2.00%	\$497,018	\$9,940.35	497,018	\$9,940.35
TOTAL SEWER						
				\$506,957.85	\$506,957.85	

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST

IMPORTANT NOTES INCLUDED

KIMLEY-HORN AND ASSOCIATES				PHASE 1	TOTAL
PROJECT NAME:	Lucas Tract Mixed Use Development	NET ACRES:	48.8	NO. OF LOTS:	261
CITY:	Celina, Texas	GROSS ACRES:	48.8	CREATED BY:	TLF
JOB NUMBER:	064040007.1.105	CREATED:	5/30/2017	CHECKED BY:	TLF
FILE NAME:	The Columns OPC Interior.xlsx	PRINTED:	5/31/2017	REVISED BY:	BTL

C. STORM SEWER						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
18" RCP	LF	\$55.00	1,370	\$75,350.00	1,370	\$75,350.00
21" RCP	LF	\$65.00	1,005	\$65,325.00	1,005	\$65,325.00
24" RCP	LF	\$72.00	115	\$8,280.00	115	\$8,280.00
27" RCP	LF	\$80.00	450	\$36,000.00	450	\$36,000.00
30" RCP	LF	\$90.00	410	\$36,900.00	410	\$36,900.00
36" RCP	LF	\$120.00	1,680	\$201,600.00	1,680	\$201,600.00
42" RCP	LF	\$155.00	315	\$48,825.00	315	\$48,825.00
48" RCP	LF	\$180.00	30	\$5,400.00	30	\$5,400.00
54" RCP	LF	\$210.00	145	\$30,450.00	145	\$30,450.00
60" RCP	LF	\$260.00	530	\$137,800.00	530	\$137,800.00
5'X5' RCB	LF	\$375.00	960	\$360,000.00	960	\$360,000.00
10'X6' RCB	LF	\$700.00	340	\$238,000.00	340	\$238,000.00
21" HEADWALL	EA	\$1,500.00	2	\$3,000.00	2	\$3,000.00
60" HEADWALL	EA	\$5,500.00	1	\$5,500.00	1	\$5,500.00
10'X6' HEADWALL	EA	\$14,500.00	1	\$14,500.00	1	\$14,500.00
CURB INLETS (ALL SIZES)	EA	\$3,500.00	49	\$171,500.00	49	\$171,500.00
2'X2' WYE INLET	EA	\$2,500.00	1	\$2,500.00	1	\$2,500.00
3'X3' WYE INLET	EA	\$3,300.00	1	\$3,300.00	1	\$3,300.00
INLET PROTECTION	EA	\$175.00	51	\$8,925.00	51	\$8,925.00
5' JUNCTION BOX	EA	\$5,000.00	15	\$75,000.00	15	\$75,000.00
DENTENTION PONDS	EA	VARIE	1	\$50,000.00	1	\$50,000.00
12" GROUTED RIP RAP	SY	\$75.00	315	\$23,625.00	315	\$23,625.00
GRADE TO DRAIN	CY	\$3.50	2,400	\$8,400.00	2,400	\$8,400.00
TRENCH SAFETY	LF	\$0.50	7,350	\$3,675.00	7,350	\$3,675.00
TESTING (TV)	LF	\$1.00	7,350	\$7,350.00	7,350	\$7,350.00
BONDS	PERCENT	2.00%	\$1,621,205.00	\$32,424.10	1,621,205	\$32,424.10
TOTAL STORM SEWER			\$1,653,629.10		\$1,653,629.10	

D. CLEARING & GRADING						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
CLEARING / GRUBBING	AC	\$800.00	48.8	\$39,040.00	48.8	\$39,040.00
STREET / ROW / BLOCK EXCAVATION	CY	\$2.20	137,779	\$303,113.07	137,778.7	\$303,113.07
MOISTURE CONDITIONING (PER PRELIMINARY GEOTECH REPORT)	LOT	\$2,500.00	261	\$652,500.00	261.0	\$652,500.00
SEDIMENTATION BASIN (NO SKIMMER)	LS	\$20,000.00	1	\$20,000.00	1.0	\$20,000.00
SKIMMER FOR SEDIMENTATION BASIN	LS	\$12,500.00	1	\$12,500.00	1.0	\$12,500.00
OPEN SPACE FINAL GRADING	LS	\$5,000.00	1	\$5,000.00	1.0	\$5,000.00
ROUGH LOT GRADING	EA	\$225.00	261	\$58,725.00	261.0	\$58,725.00
FINAL LOT GRADING	EA	\$125.00	261	\$32,625.00	261.0	\$32,625.00
TOTAL CLEARING & GRADING			\$1,123,503.07		\$1,123,503.07	

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST

IMPORTANT NOTES INCLUDED

KIMLEY-HORN AND ASSOCIATES					PHASE 1	TOTAL
PROJECT NAME:	Lucas Tract Mixed Use Development	NET ACRES:	48.8	NO. OF LOTS:	261	261
CITY:	Celina, Texas	GROSS ACRES:	48.8	CREATED BY:	TLF	
JOB NUMBER:	064040007.1.105	CREATED:	5/30/2017	CHECKED BY:	TLF	
FILE NAME:	The Columns OPC Interior.xlsx	PRINTED:	5/31/2017	REVISED BY:	BTL	

E. STREET PAVEMENT						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
6" REINF. CONCRETE STREET PAVEMENT	SY	\$33.00	30,400	\$1,003,200.00	30,400	\$1,003,200.00
6" REINF. CONCRETE ALLEY PAVEMENT	SY	\$37.50	15,050	\$564,375.00	15,050	\$564,375.00
6" SUBGRADE PREPARATION	SY	\$3.00	49,995	\$149,985.00	49,995	\$149,985.00
HYDRATED LIME (8% #36/SY)	TON	\$165.00	900	\$148,485.15	900	\$148,485.15
PAVEMENT HEADER	LF	\$15.00	210	\$3,150.00	210	\$3,150.00
BARRIER FREE PEDESTRIAN RAMPS	EA	\$1,250.00	36	\$45,000.00	36	\$45,000.00
STREET SIGN	EA	\$500.00	15	\$7,500.00	15	\$7,500.00
STOP SIGN	EA	\$150.00	10	\$1,500.00	10	\$1,500.00
4" PVC SLEEVES (MISC)	LF	\$15.00	1,050	\$15,750.00	1,050	\$15,750.00
TRAFFIC CONTROL	LS	\$3,500.00	1	\$3,500.00	1	\$3,500.00
BONDS	PERCENT	2.00%	\$1,942,445.15	\$38,848.90	1,942,445	\$38,848.90
TOTAL STREET PAVEMENT				\$1,981,294.05		\$1,981,294.05

F. MISCELLANEOUS ITEMS AND FEES						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
STREET LIGHTS (ASSUMES GCEC)	EA	\$0.00	17	\$0.00	17	\$0.00
ELECTRIC SERVICE ALLOWANCE (ASSUMES GCEC)	LOT	\$0.00	261	\$0.00	261	\$0.00
GAS SERVICE ALLOWANCE (ASSUMES ATMOS)	LOT	\$750.00	261	\$195,750.00	261	\$195,750.00
OFF-SITE GAS MAIN EXTENSION ALLOWANCE	LOT	\$300.00	261	\$78,300.00	261	\$78,300.00
INSPECTION FEE	PERCENT	2.00%	\$4,746,863	\$94,937.27	4,746,863	\$94,937.27
MISCELLANEOUS CITY FEES	LS	\$12,000.00	1	\$12,000.00	1	\$12,000.00
TOTAL MISCELLANEOUS ITEMS AND FEES				\$380,987.27		\$380,987.27

G. EROSION CONTROL						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
SILT FENCE (DOWN SLOPE PERIMETER, CREEK & CHANNEL PROTECTION)	LF	\$1.50	2,860	\$4,290.00	2,860	\$4,290.00
ROCK CHECK DAM	EA	\$1,500.00	1	\$1,500.00	1	\$1,500.00
CONSTRUCTION ENTRANCE	LS	\$2,500.00	1	\$2,500.00	1	\$2,500.00
CURLEX AFTER PAVING (4' WIDE)	LF	\$0.70	33,220	\$23,254.00	33,220	\$23,254.00
SEEDING	AC	\$285.00	32	\$9,120.00	32	\$9,120.00
EROSION CONTROL PERMITTING, MAINTENANCE, & INSPECTION	LOT	\$200.00	261	\$52,200.00	261	\$52,200.00
SWPPP	LS	\$5,000.00	1	\$5,000.00	1	\$5,000.00
TOTAL EROSION CONTROL				\$97,864.00		\$97,864.00

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST

IMPORTANT NOTES INCLUDED

KIMLEY-HORN AND ASSOCIATES					PHASE 1	TOTAL
PROJECT NAME:	Lucas Tract Mixed Use Development	NET ACRES:	48.8	NO. OF LOTS:	261	261
CITY:	Celina, Texas	GROSS ACRES:	48.8	CREATED BY:	TLF	
JOB NUMBER:	064040007.1.105	CREATED:	5/30/2017	CHECKED BY:	TLF	
FILE NAME:	The Columns OPC Interior.xlsx	PRINTED:	5/31/2017	REVISED BY:	BTL	

H. CONSTRUCTION MATERIALS TESTING - GEOTECH						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
WATER TESTING (GEOTECH)	LF	\$1.65	8,770	\$14,470.50	8,770	\$14,470.50
SANITARY SEWER TESTING (GEOTECH)	LF	\$1.65	8,470	\$13,975.50	8,470	\$13,975.50
STORM SEWER TESTING (GEOTECH)	LF	\$1.00	7,350	\$7,350.00	7,350	\$7,350.00
EARTHWORK TESTING (GEOTECH)	CY	\$0.35	137,779	\$48,222.53	137,779	\$48,222.53
PAVEMENT TESTING (GEOTECH)	SY	\$2.10	49,995	\$104,989.50	49,995	\$104,989.50
TOTAL CONSTRUCTION MATERIALS TESTING - GEOTECH			\$189,008.03		\$189,008.03	

I. SCREENING - LANDSCAPING - SIDEWALKS						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
SCREENING/BUFFERING ALONG PUNK CARTER BLVD & MINOR ARTERIAL	LF	\$150.00	2,750	\$412,500.00	2,750	\$412,500.00
SOD AND IRRIGATE OPEN SPACES	SF	\$1.25	105,000	\$131,250.00	105,000	\$131,250.00
MISC. OPEN SPACE IMPROVEMENTS	LS	\$250,000.00	1	\$250,000.00	1	\$250,000.00
5' SIDEWALK (4" THICK)	LF	\$24.00	2,130	\$51,120.00	2,130	\$51,120.00
TOTAL SCREENING - LANDSCAPE - SIDEWALKS			\$844,870.00		\$844,870.00	

J. RETAINING WALL						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
RETAINING WALL ALLOWANCE	LOT	\$500.00	261	\$130,500.00	261	\$130,500.00
TOTAL SCREENING - LANDSCAPE - SIDEWALKS			\$130,500.00		\$130,500.00	

K. CONSULTING SERVICES						
DESCRIPTION	UNIT	UNIT PRICE	PHASE 1		TOTAL QUANTITY	TOTAL COST
			QUANTITY	TOTAL		
PLANNING, PLATTING (PRE & FINAL), ENGINEERING, CONSTRUCTION STAKING, & CF	PERCENT	10.00%	\$6,479,718	\$647,971.77	6,479,718	\$647,971.77
GEOTECHNICAL ENGINEERING - FINAL GEOTECH REPORT	LOT	\$250.00	261	\$65,250.00	261	\$65,250.00
LANDSCAPE ARCHITECTURE	PERCENT	2.00%	\$844,870	\$16,897.40	844,870	\$16,897.40
CONSTRUCTION MANAGEMENT	PERCENT	1.00%	\$647,972	\$6,479.72	647,972	\$6,479.72
TOTAL CONSULTING SERVICES			\$736,598.89		\$736,598.89	

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST

IMPORTANT NOTES INCLUDED

KIMLEY-HORN AND ASSOCIATES				PHASE 1	TOTAL
PROJECT NAME:	Lucas Tract Mixed Use Development	NET ACRES:	48.8	NO. OF LOTS:	261
CITY:	Celina, Texas	GROSS ACRES:	48.8	CREATED BY:	TLF
JOB NUMBER:	064040007.1.105	CREATED:	5/30/2017	CHECKED BY:	TLF
FILE NAME:	The Columns OPC Interior.xlsx	PRINTED:	5/31/2017	REVISED BY:	BTL

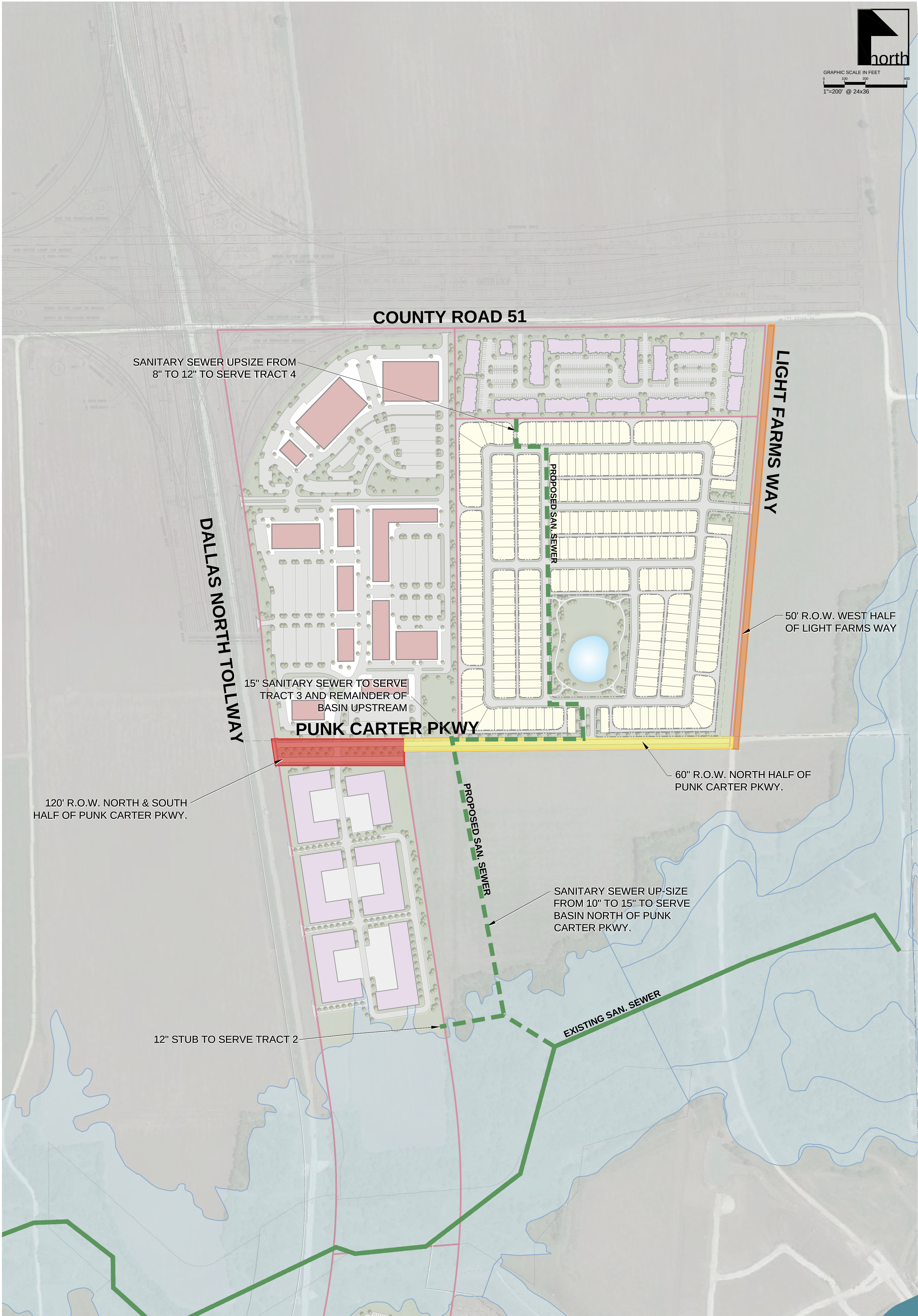
TOTALS	PHASE 1	TOTAL
A. WATER	\$604,982.40	\$604,982.40
B. SEWER	\$506,957.85	\$506,957.85
C. STORM SEWER	\$1,653,629.10	\$1,653,629.10
D. CLEARING & GRADING	\$1,123,503.07	\$1,123,503.07
E. STREET PAVEMENT	\$1,981,294.05	\$1,981,294.05
F. MISCELLANEOUS ITEMS AND FEES	\$380,987.27	\$380,987.27
G. EROSION CONTROL	\$97,864.00	\$97,864.00
H. CONSTRUCTION MATERIALS TESTING - GEOTECH	\$189,008.03	\$189,008.03
I. SCREENING - LANDSCAPE - SIDEWALKS	\$844,870.00	\$844,870.00
J. RETAINING WALL	\$130,500.00	\$130,500.00
K. CONSULTING SERVICES	\$736,598.89	\$736,598.89
SUB-TOTAL	\$8,250,194.66	\$8,250,194.66
GRAND TOTAL	\$8,250,194.66	\$8,250,194.66
PER LOT	\$31,609.94	\$31,609.94

NOTES
<u>SECTION A WATER</u> 1. OPC assumes the 12" Waterline along Light Farms Way is within the Major Infrastructure OPC and not included within this OPC. 2. OPC assumes existing 18" water main along Punk Carter Blvd per City of Celina Water Distribution Master Plan. 3. Water Impact Fees are not included in the OPC (by builder at building permit). <u>SECTION B SEWER</u> 4. OPC assumes that all sewer from the residential development will be gravity and connect to a stub provided by the Light Farms Development. 5. OPC assumes that existing systems have capacity for this development. 6. Wastewater Impact Fees are not included within this OPC (by builder at building permit). <u>SECTION C STORM SEWER</u> 7. OPC assumes that the open space provided is sufficient for detention. Preliminary drainage analysis is required to confirm. If open space provided is not sufficient then the land plan will have to be revised in order to provided adequate space. 8. OPC assumes that the open space provided for detention will also be used for site amenities. <u>SECTION D CLEARING & GRADING</u> 9. Excavation assumes 1.75' across the site. 10. Soil remediation, such as moisture conditioning and poly cover, is assumed, based a Preliminary Geotechnical Exploration by Alpha Testing, Alpha Report No. W170372. Final soil remediation should be determined by a comprehensive Final Geotechnical report. 11. OPC assumes that grading within the adjacent tracts will be allowed to eliminate any property line walls and additional drainage systems. 12. Offsite grading and drainage easements may be required. <u>SECTION E STREET PAVEMENT</u> 13. Internal street pavement is based on the current City requirements of 6" concrete pavement over 6" treated subgrade for residential and alley streets. 14. Subgrade preparation assumes treatment of 8% lime for depth indicated in the OPC. Assumptions should be verified by a Geotechnical Engineer. 15. Major roadway improvements for Punk Carter Blvd and Light Farms Way are included within the Major Infrastructure OPC. 16. Roadway Impact Fees are not included within this OPC. <u>SECTION F MISCELLANEOUS ITEMS AND FEES</u> 17. Street lights are based on a maximum spacing of 600 feet. These are assumed to be provided by the electric franchise provider at no charge. 18. Off-site gas infrastructure is included and assumed at \$300 per lot and assumes facilities are available to serve this development within this budget. 19. On-site gas and electric cost is assumed and should be confirmed. 20. Fiber cost is assumed and should be confirmed. <u>SECTION I SCREENING - LANDSCAPING - SIDEWALKS</u> 21. OPC assumes that the screening wall between the commercial tract and residential tract and the multi-family and residential tract will be constructed with the development of the commercial tract and multi-family tract. This assumes builder fence would be installed on the residential lots backing to the alley between the commercial tract and multi-family tract. 22. Sidewalks to be provided by the developer is based on the current city requirement of 5'. 23. Cost of discretionary entry feature and open space improvements is assumed and should be confirmed by Owner. <u>SECTION J RETAINING WALLS</u> 24. Retaining wall allowance is assumed (no preliminary design performed). <u>GENERAL NOTES</u> 25. Permit fees, impact fees, assessments, pro-rata fees, reimbursements, credits, etc. are not included unless specifically listed. 26. Legal, marketing, financing, closing costs, cost of sales, HOA funding, overhead, maintenance, insurance, etc. are not included. 27. Construction administration and development management is not included. 28. OPC assumes that there are no USACE jurisdictional impacts and that permitting and mitigation is not required. Based on aerial photography there doesn't appear to be any potentially jurisdictional features within the portion of the tract covered by this OPC. 29. Tree mitigation fee is not assumed. Based on aerial photography, there doesn't appear to be any existing trees within the portion of the tract covered by this OPC. 30. Unit prices for the OPC are based on recent bid forms for similar projects. 32. OPC is based on a specific land plan for 261 total lots dated June 2017. 33. There are no known franchise utility conflicts at the connections to Punk Carter Blvd., therefore, no budget is assumed or included in this OPC. 34. The borings drilled for the preliminary Geotech Report within this tract did not show rock, therefore, no assumption was made for rock excavation. 35. OPC assumes the earthwork balances on-site without any import or export required. 36. Questions regarding this OPC should be directed to Kimley-Horn and Associates, Thomas Fletcher, P.E., (972) 731-2186.

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))



The Homeplace at the Columns

PUBLIC IMPROVEMENT DISTRICT EXHIBIT

Celina, Texas
OCTOBER 2017

DWG NAME: LAST SAVED: K:\P\1\CVLS\1\17 - CENTURION AMERICAN\CELINA TRACT\CA\EXHIBITS\PID - EXHIBIT_171009.DWG 10/20/17 5:06 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.

Appendix D

PROPOSED ASSESSMENT ROLL – Assessed Property

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))

Appendix D Proposed Assessment Roll

Parcel	All Parcels
Assessment	\$7,500,000
Total Equivalent Units	261.00

Year	Principal	Interest¹	Administrative Expenses²	Total Annual Installment³
1	\$0	\$487,500	\$30,000	\$517,500
2	\$0	\$487,500	\$30,600	\$518,100
3	\$40,000	\$487,500	\$31,212	\$558,712
4	\$50,000	\$484,900	\$31,836	\$566,736
5	\$60,000	\$481,650	\$32,473	\$574,123
6	\$70,000	\$477,750	\$33,122	\$580,872
7	\$80,000	\$473,200	\$33,785	\$586,985
8	\$90,000	\$468,000	\$34,461	\$592,461
9	\$100,000	\$462,150	\$35,150	\$597,300
10	\$115,000	\$455,650	\$35,853	\$606,503
11	\$125,000	\$448,175	\$36,570	\$609,745
12	\$140,000	\$440,050	\$37,301	\$617,351
13	\$155,000	\$430,950	\$38,047	\$623,997
14	\$175,000	\$420,875	\$38,808	\$634,683
15	\$190,000	\$409,500	\$39,584	\$639,084
16	\$210,000	\$397,150	\$40,376	\$647,526
17	\$230,000	\$383,500	\$41,184	\$654,684
18	\$255,000	\$368,550	\$42,007	\$665,557
19	\$275,000	\$351,975	\$42,847	\$669,822
20	\$300,000	\$334,100	\$43,704	\$677,804
21	\$330,000	\$314,600	\$44,578	\$689,178
22	\$355,000	\$293,150	\$45,470	\$693,620
23	\$385,000	\$270,075	\$46,379	\$701,454
24	\$420,000	\$245,050	\$47,307	\$712,357
25	\$455,000	\$217,750	\$48,253	\$721,003
26	\$495,000	\$188,175	\$49,218	\$732,393
27	\$535,000	\$156,000	\$50,203	\$741,203
28	\$575,000	\$121,225	\$51,207	\$747,432
29	\$620,000	\$83,850	\$52,231	\$756,081
30	\$670,000	\$43,550	\$53,275	\$766,825
Total	\$7,500,000	\$10,684,050	\$1,217,042	\$19,401,092

1 - The interest is estimated using 6% per annum and includes 0.5% additional interest.

2 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs.

3- Amounts shown do not include any TIRZ Credit.

Attachment: 2596 (The Columns PID SAP Public Hearing (cont'd from Feb. 13))



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: March 23, 2018
Re: Chalk Hill PID SAP Public Hearing (cont'd from Feb. 13)

Action Requested:

The Celina City Council will conduct a public hearing on the proposed assessments to be levied against the assessable property within the Chalk Hill Public Improvement District No. 2 (PID) and a final Service and Assessment Plan, pursuant to the provisions of Chapter 372 of the Texas Local Government Code. (Chalk Hill) (DeBuff)

Background Information:

This public hearing is to provide a forum for comments regarding the levying of assessments related to the Chalk Hill Public Improvement District (PID).

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

- Chalk Hill PID Preliminary Service and Assessment Plan

Staff Recommendation:

Staff recommends the hearing be held, then closed.

Draft

CHALK HILL
PUBLIC IMPROVEMENT DISTRICT NO. 2
SERVICE AND ASSESSMENT PLAN

MARCH 23, 2018

MuniCap

v5.0

Attachment: Chalk Hill PID No. 2 - SAP - v5.0 (Chalk Hill PID SAP Public Hearing (cont'd from Feb. 13))

CHALK HILL PUBLIC IMPROVEMENT DISTRICT No. 2

SERVICE AND ASSESSMENT PLAN

Table of Contents

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Section V	Assessment Plan	16
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Section VIII	Miscellaneous Provisions	30

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	Phases #2–3 Major Improvement Assessment Roll
Appendix E	Phase #1 Assessment Roll

Section I PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On December 12, 2017 (the “Creation Date”) the City Council of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2017-212R approving and authorizing the creation of the Chalk Hill Improvement District No. 2 (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 Chalk Hill Public Improvement District No. 2 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 D and E 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.

“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 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.

“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 D and Appendix E, 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 and Delinquency Reserve 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 – 3 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, an Assessment Roll for Phases #2 - 3 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 CADG Celina 156, LLC, a Texas limited liability company.

“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” 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 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 E.

“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 E, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phase #1 Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 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 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 - 3” 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 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, which are described in Section III.

“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 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 D, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of 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 2018 (Chalk Hill Public Improvement District No. 2 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 #43” means Planned Development District, #43 passed and approved by the City pursuant to Ordinance No 2010-26 dated as of April 12, 2010.

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

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

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

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

“TIRZ No. 10” means the Tax Increment Reinvestment Zone No. 10, City of Celina, Texas.

“TIRZ Credit” means, for each Parcel, the prorated amount of TIRZ Revenues calculated pursuant to Section VI 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. 10 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. 10 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 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 94.827 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 441 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (441) is based upon the proposed development plan.

B. Property Included in Phase #1 and Phases #2 - 3

Phase #1 consists of approximately 38.866 acres and is projected to consist of 157 single family residential units, to be developed as Phase #1, as further described in Section III. Phases # 2 - 3 consist of approximately 55.961 acres and are projected to consist of approximately 284 residential units. A map of the property within Phase #1 and Phases #2 – 3 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 D and Appendix E.

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 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:

The major roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Distribution System Improvements:

The major water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with 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 within 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	\$836,016
Water distribution system improvements	\$260,853
Sanitary sewer collection system improvements	\$1,748,283
Storm drainage collection system improvements	\$550,725
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$601,859
Total – Estimated Major Improvement Costs	\$3,997,736

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 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:

The Phase #1 roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Distribution System Improvements:

The Phase #1 water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with 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 within 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 Phase #1 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-B
Estimated Phase #1 Improvement Costs

Authorized Improvements	Total Estimated Phase #1 Improvement Costs
Road improvements	\$1,129,129
Water distribution system improvements	\$450,627
Sanitary sewer collection system improvements	\$545,213
Storm drainage collection system improvements	\$536,513
Soft costs including City, professional and miscellaneous soft costs	\$193,558
Subtotal – Estimated Phase #1 Improvement Costs	\$2,855,040
Add: Proportional share of estimated Major Improvement Costs ¹	\$1,423,230
Total Estimated Phase #1 Improvement Costs	\$4,278,270

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).

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 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.).

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 14 months to construct the Major Improvements and approximately 14 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 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 \$9,546,101 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 summarizes the sources and uses of funds required to construct the Major Improvements and Phase #1 Improvements, establish the PID, and issue the Phase #1 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.

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 expected to be issued starting in 2018 to finance the Major Improvements and Phase #1 Improvements. Table IV-A shows the sources and uses of the Bonds. The first series of Bonds for Phase #1 (“Phase #1A Bonds”) are anticipated to be issued to finance a portion of the Phase #1 Improvements, including costs to issue the Phase #1A Bonds, as shown in Table IV-A. Proceeds of the Phase #1A 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	MIA Bonds	Phase #1 Bonds	Total
Par amount	\$3,690,000	\$4,325,000	\$8,015,000
Other funding sources	\$127,206	\$1,403,895	\$1,531,101
Total Sources	\$3,817,206	\$5,728,895	\$9,546,101
Uses of Funds			
<u>Major Improvements</u>			
Road improvements	\$538,387	\$297,629	\$836,016
Water distribution system improvements	\$167,987	\$92,866	\$260,853
Sanitary sewer improvements	\$1,125,878	\$622,405	\$1,748,283
Storm drainage improvements	\$354,662	\$196,063	\$550,725
Other soft and miscellaneous costs	\$387,592	\$214,267	\$601,859
Subtotal	\$2,574,506	\$1,423,230	\$3,997,736
<u>Phase #1 Improvements</u>			
Road improvements	\$0	\$1,129,129	\$1,129,129
Water distribution system improvements	\$0	\$450,627	\$450,627
Sanitary sewer improvements	\$0	\$545,213	\$545,213
Storm drainage improvements	\$0	\$536,513	\$536,513
Other soft and miscellaneous costs	\$0	\$193,558	\$193,558
Subtotal	\$0	\$2,855,040	\$2,855,040
Estimated Bond issue costs	\$1,242,700	\$1,450,625	\$2,693,325
Total Uses	\$3,817,206	\$5,728,895	\$9,546,101

Notes: Phase #1 Improvements include the Authorized Improvements listed under this heading plus the estimated \$1,423,230 pro rata share of the Major Improvements allocated to Phase #1.

The Phases #2 - 3 Major Improvement Bonds shown in Table IV-A are anticipated to be issued in 2018. The Phases #2 - 3 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 - 3 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 prorata share of the Major Improvements.

As Future Phases are developed, additional 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 phase #3 bonds will be issued to finance the Authorized Improvements required for Phase #3 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 and Annual Projected Indebtedness

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds
2018	\$9,546,101	\$8,015,000	\$1,531,101
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
2021	\$0	\$0	\$0
2022	\$0	\$0	\$0
Total	\$9,546,101	\$8,015,000	\$1,531,101

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.

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 – 3 Major Improvement Bonds to be issued in 2018, subsequent financings are to be issued over the upcoming decade as the 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") 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 Major Improvement costs are proportionally allocated to the Phases #2 – 3 Assessed Property and the Phase #1 Assessed Property based on the ratio of total estimated number of units for the Phases #2 - 3 Assessed Property and the Phase #1 Assessed Property.

6. The Phases #2 - 3 Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2 – 3 Assessed Property based on the total estimated number of 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 estimated number of 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 – 3 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.

Phase #1 is projected to contain 157 residential units. Phases #2 – 3 are projected to contain 284 residential units, resulting in a total projected number of units in the PID of 441. As a result, 35.60 percent of the estimated costs of Major Improvements (i.e. $157 \div 441 = 35.60\%$) are allocated to the Phase #1 Assessed Property and 64.40 percent of the estimated costs Major Improvements (i.e., $284 \div 441 = 64.40\%$) are allocated to the Phases #2 - 3 Assessed Property. The Phases #2 – 3 Major Improvement Bonds will fund the proportionate share of the estimated costs of the Major Improvements allocated to Phases #2 – 3 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	\$836,016
Water Improvements	\$260,853
Sanitary Sewer Improvements	\$1,748,283
Storm Drainage Improvements	\$550,725
Other soft and miscellaneous costs	\$601,859
Total Major Improvements	\$3,997,736
Phase #1	
Projected total number of units	157
% of total units	35.60%
Proportionate Share of Costs	\$1,423,230
Phases #2 - 3	
Projected total number of units	284
% of total units	64.40%
Proportionate Share of Costs	\$2,574,506

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 - 3

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 - 3 shall be allocated to the Phases #2 - 3 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of units anticipated to be developed on each Parcel.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated number of units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated number of units at the time residential Lots are platted to the total estimated number 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 - 3 is

shown on the Phases #2 – 3 Major Improvement Assessment Roll, attached as Appendix D, 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 number of units anticipated to be developed on each Parcel within Phase #1.

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 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 number of units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated number of units at the time residential Lots are platted to the total estimated number 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 E, 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 Phase #1 Bonds and the Phases #2 – 3 Major Improvement Bonds will be levied on each Parcel according to the Phases #2 – 3 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, attached hereto as Appendix D and Appendix E, respectively. As shown in Table IV-A, the total amount of Phases #2-3 Major Improvement Bonds, which represents the total amount of Assessment levied on the Phases #2-3 Major Improvement Assessed Property, is \$3,690,000. The total estimated number of units to be constructed within Phases #2-3 is 284. As a result, the Phases #2-3 Major Improvement Assessment per unit is \$12,993 as shown below.

	Phases #2-3	Phase #1
Total Assessment	\$3,690,000	\$4,325,000
Number of Units	284	157
Assessment per Unit	\$12,993	\$27,548

As shown in Table IV-A, the total amount of the Phase #1 Bonds, which represents the total Assessment levied on the Phase #1 Assessed Property, is \$4,325,000. The total estimated number

of units to be constructed within Phase #1 is 157. As a result, the Phase #1 Assessment per unit, which is also the Maximum Assessment per Unit, is \$27,548 as shown above.

The Annual Installments for the Phases #2 – 3 Major Improvement Bonds and the Phase #1 Bonds will be 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.

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. Prepayment and Delinquency 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 “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.

H. TIRZ Credit

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of such Parcel’s Assessments (the “TIRZ Annual Credit Amount”). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to the Parcel then on deposit in the TIRZ No. 10 tax increment fund. The TIRZ Annual Credit Amount applicable to each Parcel shall be calculated as described under Section VI 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

The Assessment and Annual Installments for each Assessed Property located within Phases #2 - 3 are shown on the Phases #2 – 3 Major Improvement Assessment Roll, attached as Appendix D, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Phases #2 - 3 Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phases #2 – 3 Major Improvement Bonds, (ii) 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 TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2018 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2019). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The number of units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

B. Amount of Assessments and Annual Installments for Parcels Located Within Phase #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 E, 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) 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 TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2018 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2019). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The number of units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

C. 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 number of units to be built on each new subdivided Parcel
- D = the sum of the estimated number of 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.

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 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 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 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 Rolls, 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 shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds and (ii) 9.37 percent per annum. The Phases #2 - 3 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated Bond interest rate of 6.5% and additional interest at the rate of 0.5% for Administrative Expenses or 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 6.25%, and an additional interest at the rate of 0.5% for Prepayment and Delinquency Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls, updated with the actual interest rates on the Bonds, are shown as Appendix D and Appendix E.

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.

Section VII THE ASSESSMENT ROLL

A. Major Improvement Area Assessment Roll

Each Parcel within Phases #2 - 3 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 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 \$3,817,206 in special benefit received by Phases #2 - 3 from a portion of the Major Improvements, the pro rata costs of the PID formation, and bond issuance costs for the proposed Phases #2 – 3 Major Improvement Bonds. The amount of Phases #2 – 3 Major Improvement Bonds is \$3,690,000, which is less than the benefit received by Phases #2 – 3 Assessed Property, and as such the total Assessment for all Assessed Property within Phases #2 - 3 is \$3,690,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within the Phases #2 - 3 is 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 D.

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 \$5,728,895 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 \$4,325,000, 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 \$4,325,000 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 – 3 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.

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

Being a 94.827 acre tract of land situated in the George W. Eastes Survey, Abstract Number 299, the William W. Shawver Survey, Abstract Number 810, and the William B. Tucker Survey, Abstract Number 912, City of Celina, Collin County, Texas, and being a part of that certain tract of land described by deed to CADCO CELINA 156, LLC, recorded under Document Number 20141015001128280, Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2 inch iron rod found for the most northwest corner of a tract of land described to A.P. Sommerhalder, LLC, by deed recorded in document number 20150625000764600, Deed Records, Collin County, Texas, and the southwest corner of that certain tract of land described by deed to Preston 51 CR 102, LP recorded under Document Number 20071120001569950 of the Official Public Records of Collin County, Texas, and being in the east line of State Highway No. 289 also known as Preston Road, having a variable width right-of-way, and being within County Road 102;

THENCE South 89 degrees 43 minutes 35 seconds East, within said County Road 102 and with the north line of said A. P. Sommerhalder tract and the south line of said Preston 51 CR 102 tract, a distance of 737.08 feet to a point for corner, being the POINT OF BEGINNING;

THENCE South 89 degrees 43 minutes 35 seconds East, continuing within said County Road 102, a distance of 1803.23 feet to a point for the southeast corner of said Preston 51 CR 102, LP tract, same being an inner ell corner of said CADG Celina 156, LLC tract;

THENCE North 00 degrees 26 minutes 05 seconds West, with the east line of said Preston 51 CR 102, LP tract and the northernmost west line of said CADG Celina 156, LLC tract, a distance of 640.81 feet to a 1/2 inch iron rod found for the southwest corner of that same tract of land described to Mohammad Ali Dalaki, by deed recorded in Document Number 20141119001266880, Official Public Records, Collin County, Texas, same being the northernmost northwest corner of said CADG Celina 156, LLC tract;

THENCE North 89 degrees 49 minutes 15 Seconds East, with the south line of said Dalaki tract and the north line of said CADG Celina 156, LLC tract, a distance of 1391.00 feet to a point for the southeast corner of said Dalaki tract and the northeast corner of said CADG Celina 156, LLC tract, said point lying on the west line of the same tract of land described to Nanda Estates, LLC, by deed recorded in Document Number 201407090000706790, Official Public Records, Collin County, Texas;

THENCE South 00 degrees 30 minutes 42 seconds East, with the west line of said Nada Estates, LLC tract and the easternmost line of said CADG Celina 156, LLC tract, a distance of 1391.70 feet to a 5/8 inch iron rod found for the easternmost southeast corner thereof, same being the southwest corner of said Nada Estates, LLC tract, and lying on the north line of that same tract of land described to Four Winds Enterprises, Ltd., by deed recorded in Volume 5476, Page 8080, Official Public Records, Collin County, Texas;

THENCE South 88 degrees 45 minutes 36 seconds West, with the north line of said Four Winds Enterprises, Ltd. tract, and the easternmost south line of said CADG Celina 156, LLC tract, a distance of 551.59 feet to a point for corner;

THENCE South 89 degrees 08 minutes 14 seconds West, continuing with the north line of said Four Winds Enterprises, Ltd. tract, and the easternmost south line of said CADG Celina 156, LLC tract, a distance of 1442.68 feet to a 1/2 inch iron rod found for the northwest corner of said Four Winds Enterprises, Ltd. tract and an inner el corner of said CADG Celina 156, LLC tract;

THENCE South 00 degrees 08 minutes 33 seconds West, with the west line of said Four Winds Enterprises, Ltd. tract, and the southernmost east line of said CADG Celina 156, LLC tract, a distance of 45.11 feet to point for corner in the west line of said Four Winds Enterprises, Ltd., and at the beginning of a curve to the left having a radius of 708.00 feet, with a delta angle of 36 degrees 15 minutes 41 seconds, whose chord bears South 72 degrees 00 minutes 02 seconds West, a distance of 440.64 feet;

THENCE, in a southwesterly direction, departing the southernmost east line of said CADG Celina 156 tract, over, across, and upon said CADG Celina 156 tract, and with said curve, an arc length of 448.08 feet to a point for corner;

THENCE South 53 degrees 52 minutes 12 seconds West, continuing within said CADG Celina 156 tract, a distance of 1001.46 feet to a point for corner lying on the west line thereof, same being the east line of that certain tract of land described in deed to Sutton Field Investments, LLC, recorded under Document Number 20150305000240910, Official Public Records of Collin County, Texas;

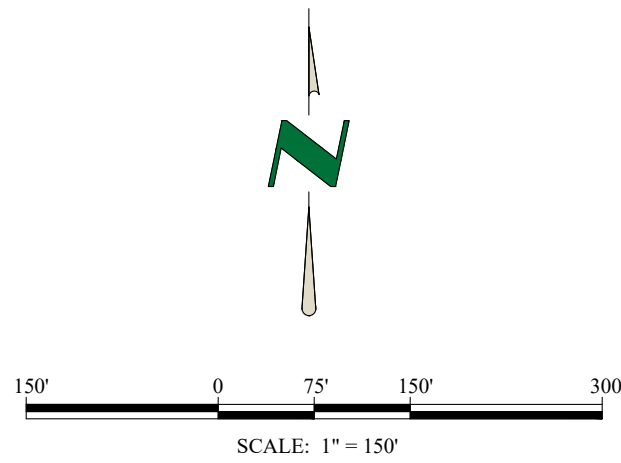
THENCE North 01 degrees 31 minutes 38 seconds West, with the west line of said CADG Celina 156 tract, the east line of said Sutton Field Investments, LLC, tract, and the east line of that certain tract of land described to Old Celina, LTD., by deed recorded under Document Number 20150305000240780 of the Official Public Records of Collin County, Texas, a distance of 403.65 feet to point for corner;

THENCE North 87 degrees 49 minutes 58 seconds West, with the westernmost south line of said CADG Celina 156 tract, and the north line of said Old Celina, LTD. tract, a distance of 793.07 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner in the east line of said Preston Road, lying in a curve to the left having a radius of 11546.01 feet, with a delta angle of 02 degrees 10 minutes 12 seconds, whose chord bears North 05 degrees 22 minutes 06 seconds East, a distance of 437.28 feet;

THENCE continuing with the east line of said Preston Road and with said curve, an arc length of 437.31 feet to a point for the westernmost northwest corner of said CADG Celina 156 tract and the southwest corner of said A.P. Sommerhalder, LLC tract;

THENCE South 85 degrees 39 minutes 30 seconds East, with the westernmost north line of said CADG Celina 156 tract and the south line of said A.P. Sommerhalder, LLC. tract, a distance of 763.62 feet to point for the southeast corner of said A.P.Sommerhalder, LLC. tract and an interior corner of said CADG Celina 156 tract;

THENCE North 01 degrees 37 minutes 07 seconds East, with the northernmost west line of said CADG Celina 156 tract and the east line of said A.P. Sommerhalder LLC. tract, a distance of 749.79 feet to the POINT OF BEGINNING, and containing 94.827 acres of land, more or less, and being subject to any and all easements that may affect.



94.827 ACRES out of the
G. Eastes Survey, Abstract No. 299
W. Shawver Survey, Abstract No. 810 & the
W. Tucker Survey, Abstract No. 912,
City of Celina, Collin County, Texas

DRAWN: xxx CHECKED: xxx DATE:xx/xx/xxxx JOB NO.: XXXXXXXX



220 ELM STREET, SUITE 200 | LEWISVILLE, TX 75057 | 214.217.2544
FIRM REGISTRATION NO. 10194331 | WINDROSESERVICES.COM

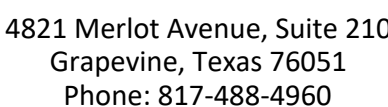
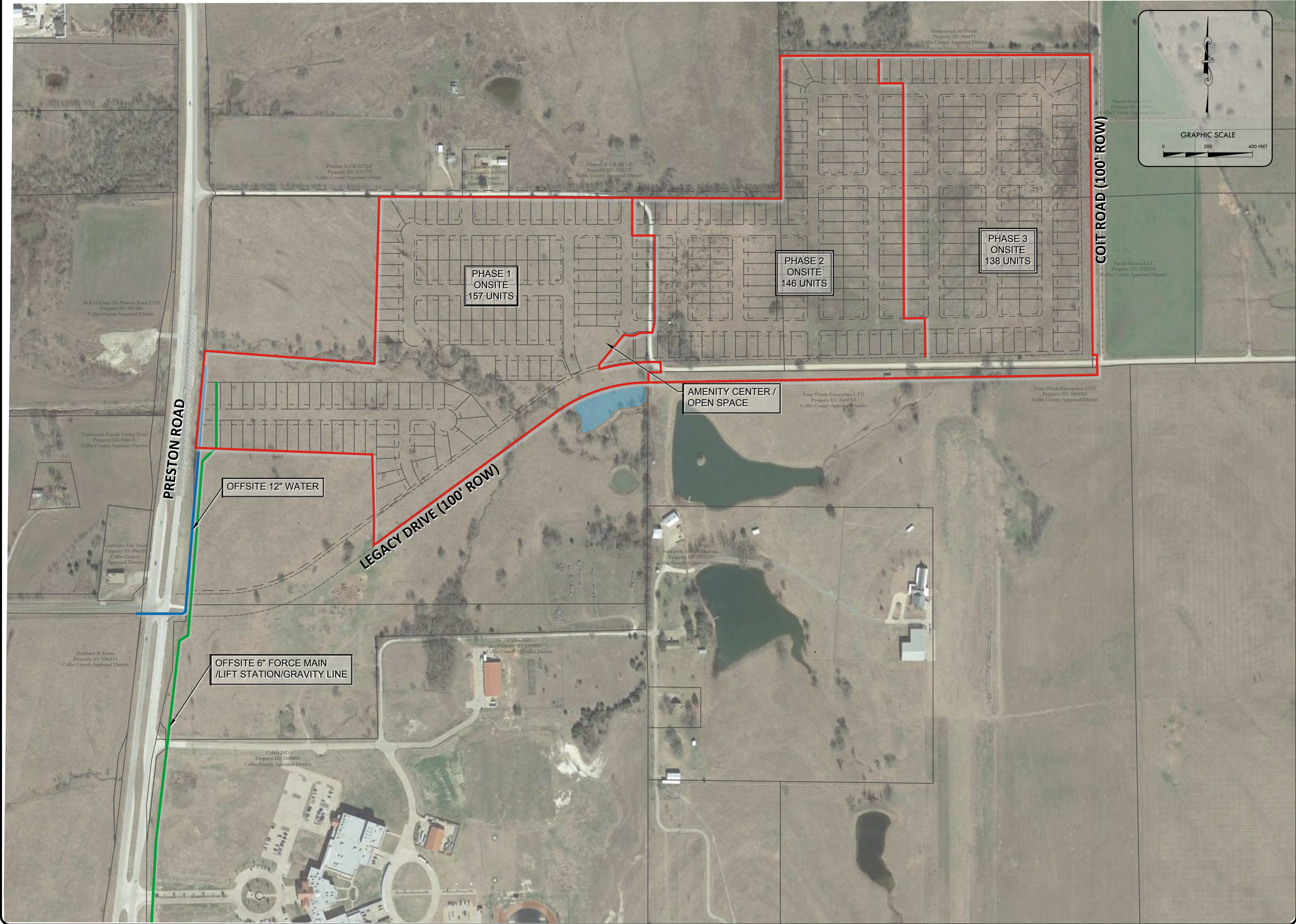




EXHIBIT
CHALK HILL PID No. 2
CELINA, TEXAS



Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Chalk Hill - City of Celina
31-Oct-17

	CELINA	TOTAL
SF (50's)	441	441
Total SF Lots	441	441
SF Gross Acreage	94	94
SF Net Acreage	0	0

**The Chalk Hill Public Improvement District Land Use Summary - City of Celina
FEBRUARY 7, 2018**

	PHASE			
	1	2	3	TOTAL
SF (40's)	157	146	138	441
Total SF Lots	157	146	138	441
SF Gross Acreage	41	28	25	94
SF Net Acreage	0	0	0	0



PHASE TOTAL SUMMARY - CITY OF CELINA IMPROVEMENTS				
COST TYPE	1	2	3	TOTAL
DIRECT PUBLIC	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675
PRIVATE	\$1,378,426	\$1,055,583	\$1,319,358	\$3,753,367
SUB-TOTAL	\$4,260,668	\$5,150,950	\$4,924,424	\$14,336,042
	MAJOR IMPROVEMENTS			
MASTER PUBLIC	\$4,038,535			\$4,038,535
TOTAL				\$18,374,577

- 1) This estimate is based on the attached concept plan.
- 2) Earthwork quantities do not include costs for rock excavation. A Geotech should be consulted regarding the treatment of cultivated soil and its use on the project.
- 3) Sidewalks adjacent to residential lots are excluded from above costs. Sidewalks are assumed to be constructed by the home builders, except where adjacent to park dedication, collectors, thoroughfare, or open space. ADA ramps are required to be built by the Developer.
- 4) All fees need to be verified by the City of Celina at the time of construction & permitting.
- 5) Turn lanes and deceleration lanes are not included in this cost estimate.
- 6) Construction timing of improvements are assumed to run concurrent with adjacent off-site master infrastructure improvements, Jurisdictional Water of the U.S. permitting is not included in this estimate.
- 8) It is assumed that no additional offsite easements will need to be acquired for the proposed utilities.
- 9) All earthwork numbers are contained to the limits of the ROW. Onsite earthwork numbers have been separated to the ROW and lots only.



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

A. CLEARING & EXCAVATION

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	3.3	\$8,250	6.5	\$16,350	5.7	\$14,350	15.6	\$38,950
STREET / ROW EXCAVATION	CY	\$3.00	18,000	\$54,000	26,220	\$78,660	23,000	\$69,000	67,220	\$201,660
TOTAL CLEARING & EXCAVATION				\$62,250		\$95,010		\$83,350		\$240,610

B. WATER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" P.V.C. WATERLINE	LF	\$30.00	6,500	\$195,000	5,976	\$179,280	5,257	\$157,710	17,733	\$531,990
8" GATE VALVE & BOX	EA	\$1,350.00	23	\$31,050	20	\$26,892	18	\$23,657	60	\$81,599
1" WATER SERVICE	EA	\$785.00	157	\$123,245	145	\$113,825	138	\$108,330	440	\$345,400
FIRE HYDRANT ASSEMBLY (INC. 6" GATE VALVE)	EA	\$4,180.00	13	\$54,340	12	\$49,959	11	\$43,949	35	\$148,248
AUTOMATIC FLUSH VALVE	EA	\$6,500.00	1	\$6,500	0	\$0	0	\$0	1	\$6,500
2" FLUSH LINE	EA	\$2,000.00	1	\$2,000	0	\$0	0	\$0	1	\$2,000
CONNECT TO EXISTING 12" LINE	EA	\$1,000.00	0	\$0	2	\$2,000	3	\$3,000	5	\$5,000
CONNECT TO EXISTING 18" LINE	EA	\$2,000.00	1	\$2,000	0	\$0	0	\$0	1	\$2,000
TRENCH SAFETY	LF	\$1.00	6,500	\$6,500	5,976	\$5,976	5,257	\$5,257	17,733	\$17,733
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	6,500	\$6,500	5,976	\$5,976	5,257	\$5,257	17,733	\$17,733
BONDS	%	2.00%	\$427,135	\$8,543	\$383,908	\$7,678	\$347,159	\$6,943	1,158,202	\$23,164
INSPECTION FEE	%	3.50%	\$427,135	\$14,950	\$383,908	\$13,437	\$347,159	\$12,151	1,158,202	\$40,537
TOTAL WATER				\$450,627		\$405,023		\$366,253		\$1,221,904



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

C. SEWER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SDR-26 P.V.C. SEWERLINE (ALL DEPTHS)	LF	\$39.00	6,700	\$261,300	5,700	\$222,300	5,000	\$195,000	17,400	\$678,600
8" PLUG	EA	\$500.00	3	\$1,500	3	\$1,500	1	\$500	7	\$3,500
4' DIAMETER MANHOLE (ALL DEPTHS)	EA	\$4,500.00	10	\$45,000	12	\$54,000	13	\$58,500	35	\$157,500
5' DIAMETER MANHOLE (ALL DEPTHS)	EA	\$9,500.00	11	\$104,500	0	\$0	0	\$0	11	\$104,500
4" SERVICE WITH CLEANOUT	EA	\$570.00	157	\$89,490	145	\$82,650	138	\$78,660	440	\$250,800
CONNECT TO EXISTING SANITARY SEWER	EA	\$1,600.00	1	\$1,600	2	\$3,200	3	\$4,800	6	\$9,600
TRENCH SAFETY	LF	\$1.00	6,700	\$6,700	5,700	\$5,700	5,000	\$5,000	17,400	\$17,400
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	6,700	\$6,700	5,700	\$5,700	5,000	\$5,000	17,400	\$17,400
BONDS	%	2.00%	\$516,790	\$10,336	\$375,050	\$7,501	\$347,460	\$6,949	1,239,300	\$24,786
INSPECTION FEE	%	3.50%	\$516,790	\$18,088	\$375,050	\$13,127	\$347,460	\$12,161	1,239,300	\$43,376
TOTAL SEWER				\$545,213		\$395,678		\$366,570		\$1,307,462



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

						1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC		NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM		GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:			NET AC.	0.0	0.0	0.0	0.0

D. STORM SEWER										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
18" RCP CLASS III	LF	\$50.50	1,038	\$52,419	600	\$30,300	700	\$35,350	2,338	\$118,069
24" RCP CLASS III	LF	\$61.00	1,084	\$66,124	1,200	\$73,200	1,100	\$67,100	3,384	\$206,424
24" RCP CLASS IV	LF	\$70.00	291	\$20,370	0	\$0	0	\$0	291	\$20,370
30" RCP CLASS III	LF	\$75.10	546	\$41,005	600	\$45,060	800	\$60,080	1,946	\$146,145
33" RCP CLASS III	LF	\$89.00	0	\$0	0	\$0		\$0	0	\$0
36" RCP CLASS III	LF	\$98.80	0	\$0	600	\$59,280	300	\$29,640	900	\$88,920
42" RCP CLASS III	LF	\$133.00	0	\$0	0	\$0	300	\$39,900	300	\$39,900
48" RCP CLASS III	LF	\$156.95	527	\$82,713	200	\$31,390	0	\$0	727	\$114,103
10' STD CURB INLET	EA	\$3,650.00	17	\$62,050	20	\$73,000	18	\$65,700	55	\$200,750
3'X3' WYE INLET	EA	\$3,575.00	2	\$7,150	0	\$0	0	\$0	2	\$7,150
4'X4' JUNCTION BOX	EA	\$5,000.00	5	\$25,000	4	\$20,000	4	\$20,000	13	\$65,000
5'X5' JUNCTION BOX	EA	\$6,000.00	4	\$24,000	4	\$24,000	1	\$6,000	9	\$54,000
18" HEADWALL	EA	\$2,500.00	1	\$2,500	0	\$0		\$0	1	\$2,500
24" HEADWALL	EA	\$2,900.00	1	\$2,900	0	\$0	0	\$0	1	\$2,900
30" HEADWALL	EA	\$3,250.00	1	\$3,250	0	\$0	0	\$0	1	\$3,250
46" HEADWALL	EA	\$4,000.00	0	\$0	0	\$0	0	\$0	0	\$0
48" HEADWALL	EA	\$4,620.00	1	\$4,620	0	\$0	0	\$0	1	\$4,620
RIP RAP OUTFALL PROTECTION	EA	\$3,000.00	4	\$12,000	2	\$6,000	2	\$6,000	8	\$24,000
GABION STRUCTURES - OPEN SPACE	EA	\$35,000.00	2	\$70,000	0	\$0	0	\$0	2	\$70,000
TRENCH SAFETY	LF	\$1.00	3,486	\$3,486	3,200	\$3,200	3,200	\$3,200	9,886	\$9,886
BONDS	%	2.00%	\$479,586	\$9,592	\$365,430	\$7,309	\$332,970	\$6,659	1,177,986	\$23,560
INSPECTION FEE	%	3.50%	\$479,586	\$16,786	\$365,430	\$12,790	\$332,970	\$11,654	1,177,986	\$41,230
TOTAL STORM SEWER				\$505,963		\$385,529		\$351,283		\$1,242,775

Attachment: Chalk Hill PID No. 2 - SAP - v5.0 (Chalk Hill PID SAP Public Hearing (cont'd from Feb. 13))



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

						1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC		NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM		GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:			NET AC.	0.0	0.0	0.0	0.0

E. PAVEMENT										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
7" CONCRETE PAVEMENT WITH 6" CURBS (29' B-B)	SY	\$39.00	19,944	\$777,816	19,194	\$748,566	16,983	\$662,337	56,121	\$2,188,719
6" LIME STABILIZED SUBGRADE PREPARATION	SY	\$3.00	21,938	\$65,815	21,113	\$63,340	18,681	\$56,044	61,733	\$185,199
HYDRATED LIME FOR STREET (36#/SY)	TON	\$150.00	395	\$59,234	380	\$57,006	336	\$50,440	1,111	\$166,679
PAVEMENT HEADER	LF	\$15.00	124	\$1,860	93	\$1,395	31	\$465	248	\$3,720
5' REINFORCED CONCRETE SIDEWALK, 4" THICK	LF	\$27.50	1,080	\$29,700	0	\$0	0	\$0	1,080	\$29,700
GUARDRAIL	LF	\$35.00	585	\$20,475	0	\$0	0	\$0	585	\$20,475
BARRIER FREE PEDESTRIAN RAMP	EA	\$1,350.00	22	\$29,700	26	\$35,100	18	\$24,300	66	\$89,100
STREET/STOP SIGN COMBO	EA	\$1,850.00	10	\$18,500	11	\$20,350	8	\$14,800	29	\$53,650
CONDUIT - 2" (OPEN CUT) STREET LIGHTS/FRANCHISE	LF	\$10.00	816	\$8,160	1,000	\$10,000	1,054	\$10,540	2,870	\$28,700
BONDS	%	2.00%	\$1,011,260	\$20,225	\$935,757	\$18,715	\$818,925	\$16,379	2,765,943	\$55,319
INSPECTION FEE	%	3.50%	\$1,011,260	\$35,394	\$935,757	\$32,752	\$818,925	\$28,662	2,765,943	\$96,808
TOTAL PAVEMENT			\$1,066,879		\$987,224		\$863,966		\$2,918,070	

F. EROSION CONTROL										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
INLET PROTECTION	EA	\$200.00	18	\$3,600	20	\$4,000	18	\$3,600	56	\$11,200
CURLEX AFTER PAVING (4' WIDE)	LF	\$1.50	11,300	\$16,950	4,004	\$6,006	0	\$18,456	15,304	\$22,956
DRAINAGE EROSION CONTROL	LS	\$10,000.00	1	\$10,000	1	\$10,000	1	\$10,000	3	\$30,000
TOTAL EROSION CONTROL			\$30,550		\$20,006		\$32,056		\$64,156	



PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

G. FRANCHISE UTILITIES

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
STREET LIGHTS	EA	\$1,700.00	16	\$27,200	11	\$18,700	12	\$20,400	39	\$66,300
TOTAL FRANCHISE UTILITIES				\$27,200		\$18,700		\$20,400		\$66,300

H. MISCELLANEOUS & OTHER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CITY REVIEW FEES	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TOTAL MISCELLANEOUS & OTHER				\$5,000		\$5,000		\$5,000		\$15,000



PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

SUMMARY - DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA	1	2	3	TOTAL
A. CLEARING & EXCAVATION	\$62,250	\$95,010	\$83,350	\$240,610
B. WATER	\$450,627	\$405,023	\$366,253	\$1,221,904
C. SEWER	\$545,213	\$395,678	\$366,570	\$1,307,462
D. STORM SEWER	\$505,963	\$385,529	\$351,283	\$1,242,775
E. PAVEMENT	\$1,066,879	\$987,224	\$863,966	\$2,918,070
F. EROSION CONTROL	\$30,550	\$20,006	\$32,056	\$64,156
G. FRANCHISE UTILITIES	\$27,200	\$18,700	\$20,400	\$66,300
H. MISCELLANEOUS & OTHER	\$5,000	\$5,000	\$5,000	\$15,000
I. CLEARING & EXCAVATION - LEGACY DRIVE	\$0	\$51,800	\$24,090	\$152,395
J. CLEARING & EXCAVATION - COIT	\$0	\$0	\$40,804	\$40,804
K. WATER - LEGACY DRIVE	\$0	\$28,525	\$84,516	\$279,229
L. WATER - PRESTON ROAD	\$0	\$0	\$0	\$94,665
M. WATER - COIT ROAD	\$0	\$0	\$97,664	\$97,664
N. SEWER - LEGACY DRIVE	\$0	\$0	\$84,733	\$84,733
O. SEWER - PRESTON ROAD	\$0	\$0	\$0	\$1,748,283
P. SEWER - COIT ROAD	\$0	\$0	\$40,868	\$40,868
Q. STORM SEWER - LEGACY DRIVE	\$0	\$303,998	\$121,635	\$926,288
R. STORM SEWER - COIT ROAD	\$0	\$0	\$101,814	\$101,814
S. PAVEMENT - LEGACY DRIVE	\$0	\$1,106,703	\$230,387	\$2,096,600
T. PAVEMENT - COIT ROAD (90' ROW)	\$0	\$0	\$411,080	\$411,080
U. EROSION CONTROL	\$0	\$14,150	\$27,552	\$91,772
V. FRANCHISE UTILITIES	\$0	\$5,100	\$10,200	\$56,100
W. MISCELLANEOUS & OTHER	\$0	\$5,000	\$5,000	\$15,000
SUB-TOTAL	\$2,693,684	\$3,827,446	\$3,369,221	\$13,313,570
SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING (7%)	\$188,558	\$267,921	\$235,845	\$931,950
ROADWAY IMPACT FEES (4.233*#LOTS*694)	\$0	\$0	\$0	\$0
WATER IMPACT FEES (\$3,276/LOT) (BUILDER)	\$0	\$0	\$0	\$0
WASTEWATER IMPACT FEES (\$4,631/LOT) (BUILDER)	\$0	\$0	\$0	\$0
PARK AND OPEN SPACE FEE (\$1500/LOT)	\$0	\$0	\$0	\$0
SUB-TOTAL	\$2,882,241	\$4,095,367	\$3,605,066	\$14,245,520
MISCELLANEOUS & CONTINGENCY (10%)	\$0	\$0	\$0	\$0
TOTAL COST	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675

Attachment: Chalk Hill PID No. 2 - SAP - v5.0 (Chalk Hill PID SAP Public Hearing (cont'd from Feb. 13))



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		NET AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

A.1 CLEARING & EXCAVATION - LEGACY DRIVE (100' ROW, 74' B-B, 3,440 LF)										
DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	5.2	\$13,100	3	\$6,800	2	\$4,125	9.61	\$24,025
STREET / ROW EXCAVATION/DETENTION	CY	\$3.00	21,135	\$63,405	15,000	\$45,000	6,655	\$19,965	42,790.00	\$128,370
TOTAL CLEARING & EXCAVATION - LEGACY DRIVE				\$76,505		\$51,800		\$24,090		\$152,395

A.2 CLEARING & EXCAVATION - COIT RD. (60' ROW, 37' B-B, 1,342 LF)										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3 (1,342 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	0	\$0	0.0	\$0	2.8	\$6,925	2.77	\$6,925
STREET / ROW EXCAVATION	CY	\$3.00	0	\$0	0	\$0	11,293	\$33,879	11,293	\$33,879
TOTAL CLEARING & EXCAVATION - COIT RD.				\$0		\$0		\$40,804		\$40,804



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		NET AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

B.1 WATER - ALONG LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
12" P.V.C. WATERLINE	LF	\$48.00	2,366	\$113,568	530	\$25,440	1,600	\$76,800	4,496	\$215,808
12" GATE VALVE & BOX	EA	\$2,300.00	4	\$9,200	0	\$0	0	\$0	4	\$9,200
12" PLUG	EA	\$750.00	1	\$750	1	\$750	1	\$750	3	\$2,250
FIRE HYDRANT ASSEMBLY	EA	\$4,180.00	4	\$16,720	0	\$0	0	\$0	4	\$16,720
CONNECT TO EXISTING LINE	EA	\$1,000.00	1	\$1,000	0	\$0	0	\$0	1	\$1,000
18"x12" TAPPING SLEEVE AND VALVE	EA	\$12,500.00	1	\$12,500	0	\$0	0	\$0	1	\$12,500
TRENCH SAFETY	LF	\$1.00	2,366	\$2,366	530	\$530	1,600	\$1,600	4,496	\$4,496
TESTING (EXCLUDING GEOTECH)	LF	\$0.60	2,366	\$1,420	530	\$318	1,600	\$960	4,496	\$2,698
BONDS	%	2.00%	\$157,524	\$3,150	\$27,038	\$541	\$80,110	\$1,602	264,672	\$5,293
INSPECTION FEE	%	3.50%	\$157,524	\$5,513	\$27,038	\$946	\$80,110	\$2,804	264,672	\$9,264
TOTAL WATER - ALONG LEGACY DRIVE				\$166,187		\$28,525		\$84,516		\$279,229

B.2 WATER - ALONG PRESTON RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
12" P.V.C. WATERLINE	LF	\$48.00	1,400	\$67,200	0	\$0	0	\$0	1,400	\$67,200
12" GATE VALVE & BOX	EA	\$2,300.00	6	\$13,800	0	\$0	0	\$0	6	\$13,800
12" PLUG	EA	\$750.00	1	\$750	0	\$0	0	\$0	1	\$750
FIRE HYDRANT ASSEMBLY	EA	\$4,180.00	1	\$4,180	0	\$0	0	\$0	1	\$4,180
CONNECT TO EXISTING LINE	EA	\$1,000.00	1	\$1,000	0	\$0	0	\$0	1	\$1,000
TRENCH SAFETY	LF	\$1.00	1,400	\$1,400	0	\$0	0	\$0	1,400	\$1,400
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	1,400	\$1,400	0	\$0	0	\$0	1,400	\$1,400
BONDS	%	2.00%	\$89,730	\$1,795	\$0	\$0	\$0	\$0	89,730	\$1,795
INSPECTION FEE	%	3.50%	\$89,730	\$3,141	\$0	\$0	\$0	\$0	89,730	\$3,141
TOTAL WATER - ALONG PRESTON RD.				\$94,665		\$0		\$0		\$94,665



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

B.3 WATER - ALONG COIT RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
12" P.V.C. WATERLINE	LF	\$48.00	0	\$0	0	\$0	1,342	\$64,416	1,342	\$64,416
12" GATE VALVE & BOX	EA	\$2,300.00	0	\$0	0	\$0	4	\$10,289	4	\$10,289
12" PLUG	EA	\$750.00	0	\$0	0	\$0	1	\$750	1	\$750
FIRE HYDRANT ASSEMBLY	EA	\$4,180.00	0	\$0	0	\$0	3	\$11,219	3	\$11,219
CONNECT TO EXISTING LINE	EA	\$1,000.00	0	\$0	0	\$0	1	\$1,000	1	\$1,000
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	1,342	\$1,342	1,342	\$1,342
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	0	\$0	0	\$0	1,342	\$1,342	1,342	\$1,342
TESTING (GEOTECH)	LF	\$1.65	0	\$0	0	\$0	1,342	\$2,214	1,342	\$2,214
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$92,572	\$1,851	92,572	\$1,851
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$92,572	\$3,240	92,572	\$3,240
TOTAL WATER - ALONG COIT RD.				\$0		\$0		\$97,664		\$97,664

C.1 SEWER - ALONG LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SANITARY SEWER MAIN (SDR-26)	LF	\$39.00	0	\$0	0	\$0	1,403	\$54,717	1,403	\$54,717
MANHOLE - STD 4 DIA	LF	\$4,500.00	0	\$0	0	\$0	5	\$22,500	5	\$22,500
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	1,403	\$1,403	1,403	\$1,403
POST CONSTRUCTION CCTV	LF	\$1.25	0	\$0	0	\$0	1,403	\$1,754	1,403	\$1,754
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$80,374	\$1,607	80,374	\$1,607
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$78,620	\$2,752	78,620	\$2,752
TOTAL SEWER				\$0		\$0		\$84,733		\$84,733



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

C.2 SEWER - ALONG PRESTON ROAD

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SANITARY SEWER MAIN (SDR-35)	LF	\$34.00	900	\$30,600	0	\$0	0	\$0	900	\$30,600
8" SANITARY SEWER FORCE MAIN	LF	\$48.00	2,130	\$102,240	0	\$0	0	\$0	2,130	\$102,240
MANHOLE - STD 5 DIA	EA	\$9,500.00	2	\$19,000	0	\$0	0	\$0	2	\$19,000
CONNECT TO EXISTING MANHOLE	EA	\$3,500.00	1	\$3,500	0	\$0	0	\$0	1	\$3,500
LIFT STATION	EA	\$1,500,000.00	1	\$1,500,000	0	\$0	0	\$0	1	\$1,500,000
TRENCH SAFETY	LF	\$1.00	900	\$900	0	\$0	0	\$0	900	\$900
POST CONSTRUCTION CCTV	LF	\$1.00	900	\$900	0	\$0	0	\$0	900	\$900
BONDS	%	2.00%	\$1,657,140	\$33,143	\$0	\$0	\$0	\$0	1,657,140	\$33,143
INSPECTION FEE	%	3.50%	\$1,657,140	\$58,000	\$0	\$0	\$0	\$0	1,657,140	\$58,000
TOTAL SEWER				\$1,748,283		\$0		\$0		\$1,748,283



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		NET AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

C.3 SEWER - ALONG COIT RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SANITARY SEWER MAIN (SDR-26)	LF	\$39.00	0	\$0		\$0	830	\$32,370	830	\$32,370
MANHOLE - STD 4 DIA	LF	\$4,500.00	0	\$0		\$0	1	\$4,500	1	\$4,500
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	830	\$830	830	\$830
POST CONSTRUCTION CCTV	LF	\$1.25	0	\$0	0	\$0	830	\$1,038	830	\$1,038
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$38,738	\$775	38,738	\$775
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$38,738	\$1,356	38,738	\$1,356
TOTAL SEWER ALONG COIT RD.				\$0		\$0		\$40,868		\$40,868

D.1 STORM SEWER - LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
18" RCP	LF	\$50.50	1,000	\$50,500	110	\$5,555	200	\$10,100	1,310	\$66,155
24" RCP	LF	\$61.00	71	\$4,331	0	\$0	0	\$0	71	\$4,331
42" RCP	LF	\$133.00	270	\$35,910	0	\$0	400	\$53,200	670	\$89,110
48" RCP	LF	\$156.95	270	\$42,377	500	\$78,475	200	\$31,390	970	\$152,242
4x3 SBC	LF	\$180.00	0	\$0	939	\$169,020	0	\$0	939	\$169,020
2-4'X4' MULTI BOX CULVERT	LF	\$1,100.00	100	\$110,000	0	\$0	0	\$0	100	\$110,000
5-5'X5' MULTI BOX CULVERT	LF	\$1,100.00	100	\$110,000	0	\$0	0	\$0	100	\$110,000
10' STD CURB INLET	EA	\$3,500.00	8	\$28,000	2	\$7,000	4	\$14,000	14	\$49,000
4' JUNCTION BOX	EA	\$5,000.00	1	\$6,100	0	\$0	1	\$5,000	2	\$10,000
5-5'X5' MULTI BOX CULVERT HEADWALLS	EA	\$15,000.00	2	\$30,000	0	\$0	0	\$0	2	\$30,000
2-4'X4' MULTI BOX CULVERT HEADWALLS	EA	\$12,000.00	2	\$24,000	0	\$0	0	\$0	2	\$24,000
12" GROUTED ROCK RIP RAP	SY	\$105.00	283	\$29,715	0	\$0	0	\$0	283	\$29,715
POND OUTFALL STRUCTURE	EA	\$25,000.00	0	\$0	1	\$25,000	0	\$0	1	\$25,000
TRENCH SAFETY	LF	\$1.00	1,811	\$1,811	1,549	\$1,549	800	\$800	4,160	\$4,160
TESTING (TV)	LF	\$1.00	1,811	\$1,811	1,551	\$1,551	804	\$804	4,166	\$4,166
BONDS	%	2.00%	\$474,555	\$9,491	\$288,150	\$5,763	\$115,294	\$2,306	877,999	\$17,560
INSPECTION FEE	%	3.50%	\$474,555	\$16,609	\$288,150	\$10,085	\$115,294	\$4,035	877,999	\$30,730
TOTAL STORM SEWER - LEGACY DRIVE				\$500,655		\$303,998		\$121,635		\$925,188



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

D.2 STORM SEWER - COIT RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
18" RCP	LF	\$50.50	0	\$0		\$0	1,400	\$70,700	1,400	\$70,700
30" RCP	LF	\$90.00	0	\$0	0	\$0	0	\$0	0	\$0
36" RCP	LF	\$125.00	0	\$0	0	\$0	0	\$0	0	\$0
42" RCP	LF	\$133.00	0	\$0	0	\$0	0	\$0	0	\$0
10' STD CURB INLET	EA	\$3,600.00	0	\$0		\$0	6	\$21,600	6	\$21,600
3' X 3' WYE INLET	EA	\$3,500.00	0	\$0		\$0		\$0	0	\$0
5' JUNCTION BOX	EA	\$6,000.00	0	\$0		\$0	0	\$0	0	\$0
TEMPORARY HEADWALL, GTD, & RIP-RAP	EA	\$5,000.00	0	\$0	0	\$0	0	\$0	0	\$0
12" GROUTED ROCK RIP RAP	SY	\$75.00	0	\$0	0	\$0	0	\$0	0	\$0
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	1,400	\$1,400	1,400	\$1,400
TESTING (GEOTECH)	LF	\$1.00	0	\$0	0	\$0	1,400	\$1,400	1,400	\$1,400
TESTING (TV)	LF	\$1.00	0	\$0	0	\$0	1,406	\$1,406	1,406	\$1,406
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$96,506	\$1,930	96,506	\$1,930
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$96,506	\$3,378	96,506	\$3,378
TOTAL STORM SEWER - E. COIT RD.				\$0		\$0		\$101,814		\$101,814

E.1 PAVEMENT - LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
SECTION, PHASE 2: 28' B-B HALF SECTION + PHASE 1 SOUTH HALF SECTION, PHASE 3: 28' B-B HALF SECTION) ; EACH PHASE WILL INCLUDE 9' OF MEDIAN	SY	\$45.00	10,050	\$452,250	14,910	\$670,950	3,000	\$135,000	27,960	\$1,258,200
8" LIME STABILIZED SUBGRADE PREPARATION	SY	\$3.30	11,055	\$36,482	16,401	\$54,123	3,300	\$10,890	30,756	\$101,495
HYDRATED LIME FOR STREET (53#/SY)	TON	\$155.00	293	\$45,408	394	\$61,012	79	\$12,276	766	\$118,696
PAVEMENT HEADER	LF	\$15.00	28	\$420	28	\$420	28	\$420	84	\$1,260
BARRIER FREE PEDESTRIAN RAMP	EA	\$1,350.00	4	\$5,400	2	\$2,700	2	\$2,700	8	\$10,800
BARRICADES	EA	\$1,500.00	1	\$1,500	1	\$1,500	1	\$1,500	3	\$4,500
STREET SIGN	EA	\$1,300.00	3	\$3,900	1	\$1,300	1	\$1,300	5	\$6,500
10' CONCRETE SIDEWALK	LF	\$60.00	2,439	\$146,340	3,626	\$217,560	706	\$42,360	6,771	\$406,260
TRAFFIC CONTROL	LS	\$5,000.00	1.0	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TESTING	SY	\$2.10	11,055	\$23,216	16,401	\$34,442	3,300	\$6,930	30,756	\$64,588
BONDS	%	2.00%	\$719,915	\$14,398	\$1,049,007	\$20,980	\$218,376	\$4,368	1,987,299	\$39,746
INSPECTION FEE	%	3.50%	\$719,915	\$25,197	\$1,049,007	\$36,715	\$218,376	\$7,643	1,987,299	\$69,555
TOTAL PAVEMENT - LEGACY DRIVE				\$759,511		\$1,106,703		\$230,387		\$2,096,600



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

E.2 PAVEMENT - COIT ROAD (60' ROW)

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" REINF. CONCRETE STREET PAVEMENT (37" B-B, 1,342 LF)	SY	\$45.00	0	\$0	0	\$0	5,520	\$248,400	5,520	\$248,400
8" LIME STABILIZED SUBGRADE PREPARATION	SY	\$3.30	0	\$0	0	\$0	6,072	\$20,038	6,072	\$20,038
HYDRATED LIME FOR STREET (53#/SY)	TON	\$155.00	0	\$0	0	\$0	109	\$16,941	109	\$16,941
PAVEMENT HEADER	LF	\$15.00	0	\$0	0	\$0	37	\$555	37	\$555
BARRIER FREE PEDESTRIAN RAMP	EA	\$1,350.00	0	\$0	0	\$0	2	\$2,700	2	\$2,700
BARRICADES	EA	\$1,500.00	0	\$0	0	\$0	1	\$1,500	1	\$1,500
STREET SIGN	EA	\$1,300.00	0	\$0	0	\$0	2	\$2,600	2	\$2,600
STOP SIGN	EA	\$1,250.00	0	\$0	0	\$0	2	\$2,500	2	\$2,500
6" CONCRETE SIDEWALK	LF	\$30.00	0	\$0	0	\$0	2,684	\$80,520	2,684	\$80,520
TRAFFIC CONTROL	LS	\$3,000.00	0	\$0	0	\$0	1	\$3,000	1	\$3,000
TESTING	SY	\$2.10	0	\$0	0	\$0	6,072	\$12,751	6,072	\$12,751
BONDS	%	2.00%	0	\$0	0	\$0	\$391,505	\$7,830	391,505	\$7,830
INSPECTION FEE	%	3.00%	0	\$0	0	\$0	\$391,505	\$11,745	391,505	\$11,745
TOTAL PAVEMENT - COIT ROAD (90' ROW)				\$0		\$0		\$411,080		\$411,080



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

F.1 EROSION CONTROL - PRESTON ROAD

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
SILT FENCE	LF	\$1.50	6,500	\$9,750	0	\$0	0	\$0	6,500	\$9,750
EROSION CONTROL INSPECTION & MAINTENANCE	LS	\$5,000.00	1	\$5,000	0	\$0	0	\$0	1	\$5,000
TOTAL EROSION CONTROL				\$14,750		\$0		\$0		\$14,750

F.2 EROSION CONTROL - LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
INLET PROTECTION	EA	\$200.00	8	\$1,600	2	\$400	4	\$800	14	\$2,800
SWPPP	LS	\$5,000.00	0	\$0		\$0	0	\$0	0	\$0
SILT FENCE	LF	\$1.50	9,300	\$13,950	3,200	\$4,800	5,000	\$7,500	17,500	\$26,250
CONSTRUCTION ENTRANCE	EA	\$5,000.00	1	\$5,000	0	\$0	0	\$0	1	\$5,000
CURLEX AFTER PAVING (8' WIDE)	LF	\$1.50	5,180	\$7,770	1,300	\$1,950	2,800	\$4,200	9,280	\$13,920
DRAINAGE EROSION CONTROL	LS	\$2,000.00	1	\$2,000	1	\$2,000	1	\$2,000	3	\$6,000
EROSION CONTROL INSPECTION & MAINTENANCE	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TOTAL EROSION CONTROL				\$35,320		\$14,150		\$19,500		\$68,970

F.3 EROSION CONTROL - COIT ROAD

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
INLET PROTECTION	EA	\$175.00	0	\$0	0	\$0	0	\$0	0	\$0
SWPPP	LS	\$5,000.00	0	\$0	0	\$0	0	\$0	0	\$0
SILT FENCE	LF	\$1.50	0	\$0	0	\$0	2,684	\$4,026	2,684	\$4,026
CONSTRUCTION ENTRANCE	EA	\$2,500.00	0	\$0	0	\$0	0	\$0	0	\$0
CURLEX AFTER PAVING (8' WIDE)	LF	\$1.50	0	\$0	0	\$0	2,684	\$4,026	2,684	\$4,026
ROCK CHECK DAM	EA	\$1,500.00	0	\$0	0	\$0	0	\$0	0	\$0
SEEDING	AC	\$285.00	0	\$0	0	\$0	0	\$0	0	\$0
EROSION CONTROL INSPECTION & MAINTENANCE	LS	\$5,000.00	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL EROSION CONTROL				\$0		\$0		\$8,052		\$8,052



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		NET AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

G. FRANCHISE UTILITIES

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
STREET LIGHTS	EA	\$1,700.00	24	\$40,800	3	\$5,100	6	\$10,200	33	\$56,100
TOTAL FRANCHISE UTILITIES				\$40,800		\$5,100		\$10,200		\$56,100

H. MISCELLANEOUS & OTHER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CITY REVIEW FEES	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TOTAL MISCELLANEOUS & OTHER				\$5,000		\$5,000		\$5,000		\$15,000



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		NET AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

SUMMARY - MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA	MAJOR IMPROVEMENTS				TOTAL
A.1 CLEARING & EXCAVATION - LEGACY DRIVE	\$76,505	\$0	\$0	\$0	\$76,505
A.2 CLEARING & EXCAVATION - COIT	\$0	\$0	\$0	\$0	\$0
B.1 WATER - LEGACY DRIVE	\$166,187	\$0	\$0	\$0	\$166,187
B.2 WATER - PRESTON ROAD	\$94,665	\$0	\$0	\$0	\$94,665
B.3 WATER - COIT ROAD	\$0	\$0	\$0	\$0	\$0
C.1 SEWER - LEGACY DRIVE	\$0	\$0	\$0	\$0	\$0
C.2 SEWER - PRESTON ROAD	\$1,748,283	\$0	\$0	\$0	\$1,748,283
C.3 SEWER - COIT ROAD	\$0	\$0	\$0	\$0	\$0
D.1 STORM SEWER - LEGACY DRIVE	\$500,655	\$0	\$0	\$0	\$500,655
D.2 STORM SEWER - COIT ROAD	\$0	\$0	\$0	\$0	\$0
E.1 PAVEMENT - LEGACY DRIVE	\$759,511	\$0	\$0	\$0	\$759,511
E.2A PAVEMENT - COIT ROAD (90' ROW)	\$0	\$0	\$0	\$0	\$0
F. EROSION CONTROL	\$50,070	\$0	\$0	\$0	\$50,070
G. FRANCHISE UTILITIES	\$40,800	\$0	\$0	\$0	\$40,800
H. MISCELLANEOUS & OTHER	\$5,000	\$0	\$0	\$0	\$5,000
SUB-TOTAL	\$3,441,676	\$0	\$0	\$0	\$3,441,676
SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING (7%)	\$240,917	\$0	\$0	\$0	\$240,917
ROADWAY IMPACT FEES (4.233*#LOTS*694)	\$0	\$0	\$0	\$0	\$0
WATER IMPACT FEES (\$3,276/LOT) (BUILDER)	\$0	\$0	\$0	\$0	\$0
WASTEWATER IMPACT FEES (\$4,631/LOT) (BUILDER)	\$0	\$0	\$0	\$0	\$0
PARK AND OPEN SPACE FEE (\$1500/LOT)	\$0	\$0	\$0	\$0	\$0
DISTRICT FORMATION COSTS	\$355,942	\$0	\$0	\$0	\$355,942
SUB-TOTAL	\$4,038,535	\$0	\$0	\$0	\$4,038,535
MISCELLANEOUS & CONTINGENCY (10%)	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$4,038,535	\$0	\$0	\$0	\$4,038,535

	PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST								
	THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT								
	PRIVATE IMPROVEMENTS - CITY OF CELINA								
	FEBRUARY 7, 2018								
						1	2	3	TOTAL
PROJECT NAME:	The Chalk Hill - Private Improvements	CREATED BY:	JMC		NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM		GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:			PRIVATE AREA AC.	0.0	0.0	0.0	0.0

A. CLEARING & EXCAVATION										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	24.2	\$60,575	23.5	\$58,750	20.9	\$52,250	68.6	\$171,575
CONSTRUCTION ENTRANCE	EA	\$2,000.00	1	\$2,000	1	\$2,000	1	\$2,000	3.0	\$6,000
LOT / BLOCK EXCAVATION	CY	\$2.35	97,743	\$229,696	80,000	\$188,000	70,000	\$164,500	247,743.0	\$582,196
IMPORT	CY	\$8.00	17,316	\$138,528	9,000	\$72,000	15,000	\$120,000	41,316.0	\$330,528
OPEN SPACE FINAL GRADING	LS	\$7,000.00	1	\$7,000	0	\$0	0	\$0	1.0	\$7,000
ROUGH LOT GRADING	EA	\$200.00	157	\$31,400	145	\$29,000	138	\$27,600	440.0	\$88,000
FINAL LOT GRADING	EA	\$140.00	157	\$21,980	145	\$20,300	138	\$19,320	440.0	\$61,600
MOISTURE CONDITIONED PADS	LOT	\$1,500.00	157	\$235,500	145	\$217,500	138	\$207,000	440.0	\$660,000
TOTAL CLEARING & EXCAVATION			\$726,679		\$587,550		\$592,670		\$1,906,899	

B. RETAINING WALLS										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
RETAINING WALL (0'-4' DEPTH)	SY	\$10.00	7,300	\$73,000	5,000	\$50,000	4,000	\$40,000	16,300.0	\$163,000
RETAINING WALL (4'+ DEPTH)	SY	\$10.00	17,200	\$172,000	1,000	\$10,000	2,000	\$20,000	20,200.0	\$202,000
TOTAL RETAINING WALLS			\$245,000		\$60,000		\$60,000		\$365,000	



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
PRIVATE IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	The Chalk Hill - Private Improvements	CREATED BY:	JMC		NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM		GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:			PRIVATE AREA AC.	41.0	28.0	25.0	94.0
						0.0	0.0	0.0	0.0

C. EROSION CONTROL

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
SWPPP	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3.0	\$15,000
SILT FENCE (PERIMETER & CREEK PROTECTION)	LF	\$1.50	5,420	\$8,130	5,805	\$8,708	2,951	\$4,427	14,176.0	\$21,264
ROCK CHECK DAM	EA	\$1,500.00	1	\$1,500	0	\$0	0	\$0	1.0	\$1,500
SEEDING	AC	\$300.00	4	\$1,200	0	\$0	2	\$600	6.0	\$1,800
EROSION CONTROL INSPECTION & MAINTENANCE	LOT	\$150.00	157	\$23,550	145	\$21,750	138	\$20,700	440.0	\$66,000
TOTAL EROSION CONTROL				\$39,380		\$35,458		\$30,727		\$105,564

D. AMENITIES, LANDSCAPE, & SCREENING

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
ENTRY OPEN SPACE AND AMENITY CENTER										
BRICK & STONE ENTRYWAY W/ CAST STONE SIGN	EA	\$50,000.00	1	\$50,000.00	0	\$0.00	0	\$0.00	1	\$50,000.00
SCREENING & BUFFERING ALONG ARTERIALS	LF	\$110.00	1,225	\$134,750.00	1,200	\$132,000.00	2,700	\$297,000.00	5125	\$563,750.00
LANDSCAPING ALONG ARTERIALS	LF	\$40.00	1,225	\$49,000.00	1,200	\$48,000.00	2,700	\$108,000.00	5125	\$205,000.00
1" SINGLE OPEN SPACE WATER SERVICE	EA	\$800.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
6" OPEN SPACE SEWER SERVICE	EA	\$800.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
1" SINGLE IRRIGATION SERVICE	EA	\$800.00	3	\$2,400.00	1	\$800.00	3	\$2,400.00	7	\$5,600.00
2" SINGLE IRRIGATION SERVICE	EA	\$1,500.00	1	\$1,500.00	1	\$1,500.00	1	\$1,500.00	3	\$4,500.00
TOTAL FRANCHISE UTILITIES			\$237,650		\$182,300		\$408,900		\$828,850	



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
PRIVATE IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

						1	2	3	TOTAL
PROJECT NAME:	The Chalk Hill - Private Improvements	CREATED BY:	JMC		NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM		GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:			PRIVATE AREA AC.	0.0	0.0	0.0	0.0

E. MISCELLANEOUS & OTHER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
MISCELLANEOUS CITY FEES	LS	\$5,000.00	1	\$5,000.00	1	\$5,000.00	1	\$5,000.00	3	\$15,000.00
GEOTECH TESTING	EA	\$220.00	157.00	\$34,540	145.00	\$31,900	138.00	\$30,360		\$96,800
TOTAL MISCELLANEOUS & OTHER				\$39,540		\$36,900		\$35,360		\$111,800

SUMMARY - PRIVATE IMPROVEMENTS - CITY OF CELINA	1	2	3	TOTAL
A. CLEARING & EXCAVATION	\$726,679	\$587,550	\$592,670	\$1,906,899
B. RETAINING WALLS	\$245,000	\$60,000	\$60,000	\$365,000
C. EROSION CONTROL	\$39,380	\$35,458	\$30,727	\$105,564
D. AMENITIES, LANDSCAPE, & SCREENING	\$237,650	\$182,300	\$408,900	\$828,850
E. MISCELLANEOUS & OTHER	\$39,540	\$36,900	\$35,360	\$111,800
SUB-TOTAL	\$1,288,249	\$902,208	\$1,127,657	\$3,318,113
SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING (7%)	\$90,177	\$63,155	\$78,936	\$232,268
ROADWAY IMPACT FEES (4.233*#LOTS*694)	\$0	\$0	\$0	\$0
WATER IMPACT FEES (\$3,276/LOT) (BUILDER)	\$0	\$0	\$0	\$0
WASTEWATER IMPACT FEES (\$4,631/LOT) (BUILDER)	\$0	\$0	\$0	\$0
PARK AND OPEN SPACE FEE (\$1500/LOT)	\$0	\$0	\$0	\$0
SUB-TOTAL	\$1,378,426	\$965,362	\$1,206,592	\$3,550,381
MISCELLANEOUS & CONTINGENCY (10%)	\$0	\$90,221	\$112,766	\$202,986
TOTAL COST	\$1,378,426	\$1,055,583	\$1,319,358	\$3,753,367



PHASE COST SUMMARY

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CITY OF CELINA
FEBRUARY 7, 2018

PHASED TOTAL SUMMARY				
COST TYPE	PHASE 1	PHASE 2	PHASE 3	TOTAL
DIRECT PUBLIC	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675
MASTER PUBLIC	\$4,038,535	\$0	\$0	\$4,038,535
PRIVATE	\$1,378,426	\$1,055,583	\$1,319,358	\$3,753,367
TOTAL	\$8,299,203	\$5,150,950	\$4,924,424	\$18,374,577
LOTS:	157	146	138	441
COST PER LOT:	\$52,861	\$35,280	\$35,684	\$41,666

- 1) This estimate is based on the attached concept plan.
- 2) Earthwork quantities do not include costs for rock excavation. A Geotech should be consulted regarding the treatment of cultivated soil and its use on the project.
- 3) Sidewalks adjacent to residential lots are excluded from above costs. Sidewalks are assumed to be constructed by the home builders, except where adjacent to park dedication, collectors, thoroughfare, or open space. ADA ramps are required to be built by the Developer.
- 4) All fees need to be verified by the City of Celina at the time of construction & permitting.
- 5) Turn lanes and deceleration lanes are not included in this cost estimate.
- 6) Construction timing of improvements are assumed to run concurrent with adjacent off-site master infrastructure improvements,.
- Jurisdictional Water of the U.S. permitting is not included in this estimate.
- 8) It is assumed that no additional offsite easements will need to be acquired for the proposed utilities.
- 9) All earthwork numbers are contained to the limits of the ROW. Onsite earthwork numbers have been seperated to the ROW and lots only.

Appendix C

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS



EXHIBIT C

CHALK HILL CONCEPT PLAN

CELINA, TEXAS

SHEET:
V1.1

6/15/17 CEN15001

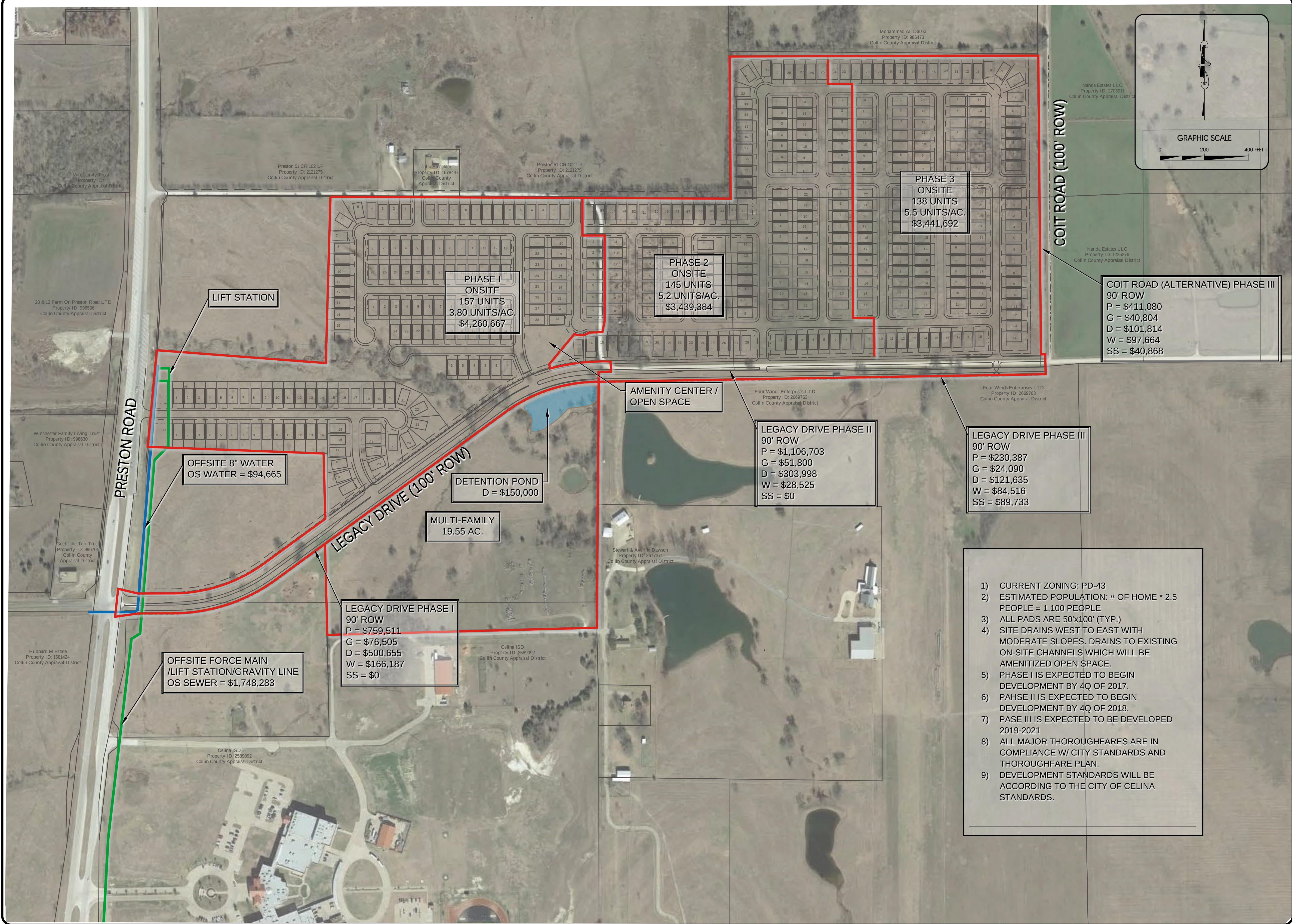


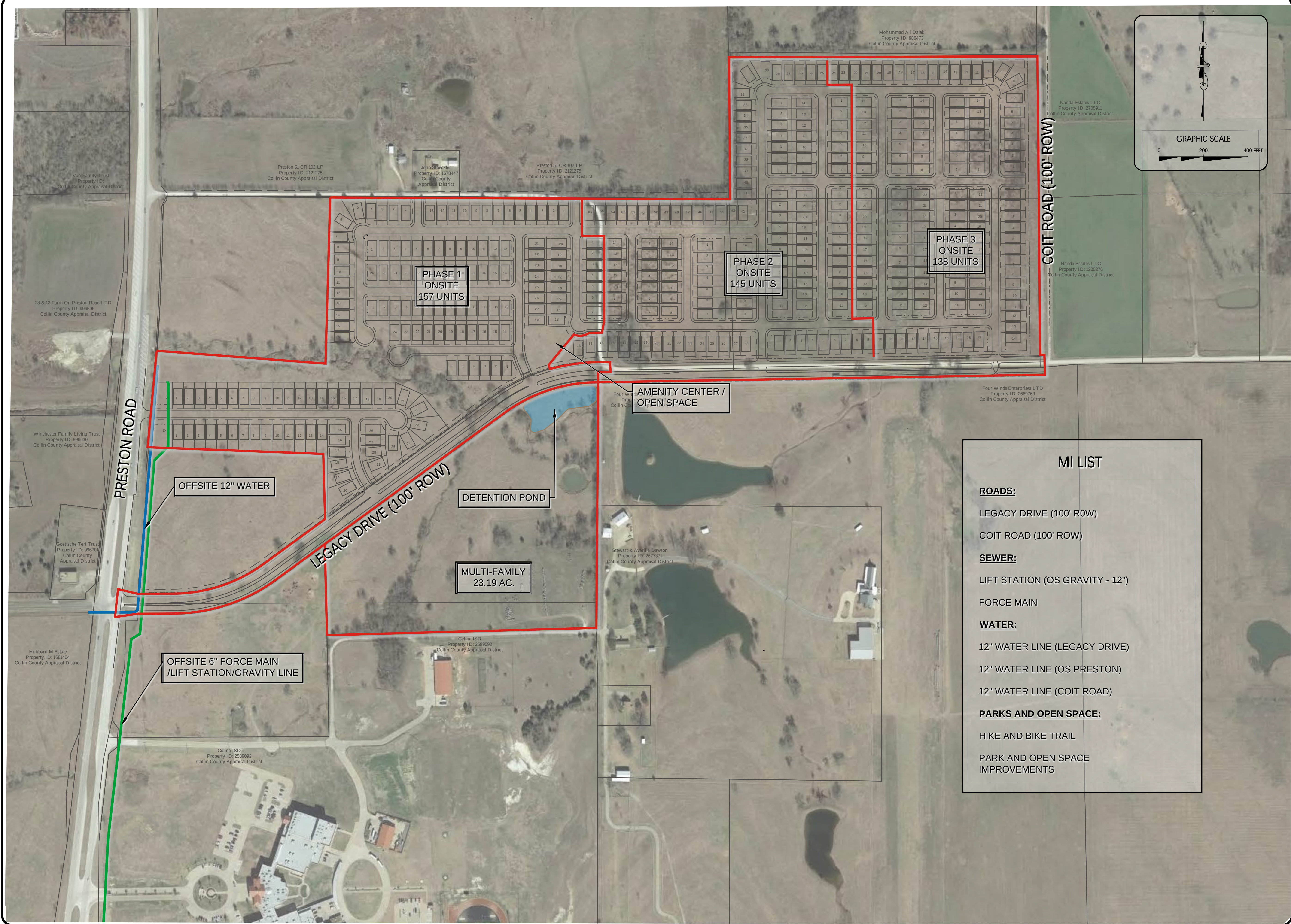


EXHIBIT D
CHALK HILL CONCEPT PLAN
CELINA, TEXAS

SHEET:
V1.1

6/15/17

CEN15001



Appendix D**ASSESSMENT ROLL –Phases #2-3 Major Improvement Assessed Property**

Appendix D
Phase #2 - 3 Major Improvement Assessment Roll

Parcel	All Parcels
Assessment	\$3,690,000
Total Estimated Units	284

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment³
1	\$0	\$258,300	\$25,000	\$283,300
2	\$0	\$258,300	\$25,500	\$283,800
3	\$55,000	\$258,300	\$26,010	\$339,310
4	\$55,000	\$254,450	\$26,530	\$335,980
5	\$60,000	\$250,600	\$27,061	\$337,661
6	\$65,000	\$246,400	\$27,602	\$339,002
7	\$70,000	\$241,850	\$28,154	\$340,004
8	\$70,000	\$236,950	\$28,717	\$335,667
9	\$75,000	\$232,050	\$29,291	\$336,341
10	\$80,000	\$226,800	\$29,877	\$336,677
11	\$85,000	\$221,200	\$30,475	\$336,675
12	\$90,000	\$215,250	\$31,084	\$336,334
13	\$95,000	\$208,950	\$31,706	\$335,656
14	\$100,000	\$202,300	\$32,340	\$334,640
15	\$110,000	\$195,300	\$32,987	\$338,287
16	\$115,000	\$187,600	\$33,647	\$336,247
17	\$120,000	\$179,550	\$34,320	\$333,870
18	\$130,000	\$171,150	\$35,006	\$336,156
19	\$135,000	\$162,050	\$35,706	\$332,756
20	\$145,000	\$152,600	\$36,420	\$334,020
21	\$155,000	\$142,450	\$37,149	\$334,599
22	\$165,000	\$131,600	\$37,892	\$334,492
23	\$175,000	\$120,050	\$38,649	\$333,699
24	\$185,000	\$107,800	\$39,422	\$332,222
25	\$195,000	\$94,850	\$40,211	\$330,061
26	\$205,000	\$81,200	\$41,015	\$327,215
27	\$220,000	\$66,850	\$41,835	\$328,685
28	\$230,000	\$51,450	\$42,672	\$324,122
29	\$245,000	\$35,350	\$43,526	\$323,876
30	\$260,000	\$18,200	\$44,396	\$322,596
Total	\$3,690,000	\$5,209,750	\$1,014,202	\$9,913,952

1 - The principal and interest amounts are estimated using 6% 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.

3 - Amounts shown do not include any TIRZ Credit.

Attachment: Chalk Hill PID No. 2 - SAP - v5.0 (Chalk Hill PID SAP Public Hearing (cont'd from Feb. 13))

Projected Annual Installment per Lot

Lot Type	50 Ft
Assessment	\$12,993
Equivalent Units	1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment³
1	\$0	\$910	\$88	\$998
2	\$0	\$910	\$90	\$999
3	\$194	\$910	\$92	\$1,195
4	\$194	\$896	\$93	\$1,183
5	\$211	\$882	\$95	\$1,189
6	\$229	\$868	\$97	\$1,194
7	\$246	\$852	\$99	\$1,197
8	\$246	\$834	\$101	\$1,182
9	\$264	\$817	\$103	\$1,184
10	\$282	\$799	\$105	\$1,185
11	\$299	\$779	\$107	\$1,185
12	\$317	\$758	\$109	\$1,184
13	\$335	\$736	\$112	\$1,182
14	\$352	\$712	\$114	\$1,178
15	\$387	\$688	\$116	\$1,191
16	\$405	\$661	\$118	\$1,184
17	\$423	\$632	\$121	\$1,176
18	\$458	\$603	\$123	\$1,184
19	\$475	\$571	\$126	\$1,172
20	\$511	\$537	\$128	\$1,176
21	\$546	\$502	\$131	\$1,178
22	\$581	\$463	\$133	\$1,178
23	\$616	\$423	\$136	\$1,175
24	\$651	\$380	\$139	\$1,170
25	\$687	\$334	\$142	\$1,162
26	\$722	\$286	\$144	\$1,152
27	\$775	\$235	\$147	\$1,157
28	\$810	\$181	\$150	\$1,141
29	\$863	\$124	\$153	\$1,140
30	\$915	\$64	\$156	\$1,136
Total	\$12,993	\$18,344	\$3,571	\$34,908

1 - The principal and interest amounts are estimated using 6% 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.

3 - Amounts shown do not include any TIRZ Credit.

Attachment: Chalk Hill PID No. 2 - SAP - v5.0 (Chalk Hill PID SAP Public Hearing (cont'd from Feb. 13))

Appendix E

ASSESSMENT ROLL – Phase #1 Assessed Property

Appendix E
Phase #1 Assessment Roll

Parcel	All Parcels
Assessment	\$4,325,000
Total Estimated Units	157

Year	Principal¹	Interest¹	Administrative Expenses³	Total Annual Installment⁴
1	\$0	\$291,938	\$30,000	\$321,938
2	\$0	\$291,938	\$30,600	\$322,538
3	\$65,000	\$291,938	\$31,212	\$388,150
4	\$65,000	\$287,550	\$31,836	\$384,386
5	\$70,000	\$283,163	\$32,473	\$385,635
6	\$75,000	\$278,438	\$33,122	\$386,560
7	\$80,000	\$273,375	\$33,785	\$387,160
8	\$85,000	\$267,975	\$34,461	\$387,436
9	\$90,000	\$262,238	\$35,150	\$387,387
10	\$95,000	\$256,163	\$35,853	\$387,015
11	\$100,000	\$249,750	\$36,570	\$386,320
12	\$105,000	\$243,000	\$37,301	\$385,301
13	\$115,000	\$235,913	\$38,047	\$388,960
14	\$120,000	\$228,150	\$38,808	\$386,958
15	\$125,000	\$220,050	\$39,584	\$384,634
16	\$135,000	\$211,613	\$40,376	\$386,989
17	\$145,000	\$202,500	\$41,184	\$388,684
18	\$150,000	\$192,713	\$42,007	\$384,720
19	\$160,000	\$182,588	\$42,847	\$385,435
20	\$170,000	\$171,788	\$43,704	\$385,492
21	\$180,000	\$160,313	\$44,578	\$384,891
22	\$190,000	\$148,163	\$45,470	\$383,632
23	\$200,000	\$135,338	\$46,379	\$381,717
24	\$215,000	\$121,838	\$47,307	\$384,144
25	\$225,000	\$107,325	\$48,253	\$380,578
26	\$240,000	\$92,138	\$49,218	\$381,356
27	\$255,000	\$75,938	\$50,203	\$381,140
28	\$270,000	\$58,725	\$51,207	\$379,932
29	\$285,000	\$40,500	\$52,231	\$377,731
30	\$315,000	\$21,263	\$53,275	\$389,538
Total	\$4,325,000	\$5,884,313	\$1,217,042	\$11,426,355

1 - The principal and interest amounts are estimated using 6.25% 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.

3- Amounts shown do not include any TIRZ Credit.

Attachment: Chalk Hill PID No. 2 - SAP - v5.0 (Chalk Hill PID SAP Public Hearing (cont'd from Feb. 13))

Projected Annual Installment per Lot

Lot Type	50 Ft
Assessment	\$27,548
Equivalent Units	1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment³
1	\$0	\$1,859	\$191	\$2,051
2	\$0	\$1,859	\$195	\$2,054
3	\$414	\$1,859	\$199	\$2,472
4	\$414	\$1,832	\$203	\$2,448
5	\$446	\$1,804	\$207	\$2,456
6	\$478	\$1,773	\$211	\$2,462
7	\$510	\$1,741	\$215	\$2,466
8	\$541	\$1,707	\$219	\$2,468
9	\$573	\$1,670	\$224	\$2,467
10	\$605	\$1,632	\$228	\$2,465
11	\$637	\$1,591	\$233	\$2,461
12	\$669	\$1,548	\$238	\$2,454
13	\$732	\$1,503	\$242	\$2,477
14	\$764	\$1,453	\$247	\$2,465
15	\$796	\$1,402	\$252	\$2,450
16	\$860	\$1,348	\$257	\$2,465
17	\$924	\$1,290	\$262	\$2,476
18	\$955	\$1,227	\$268	\$2,450
19	\$1,019	\$1,163	\$273	\$2,455
20	\$1,083	\$1,094	\$278	\$2,455
21	\$1,146	\$1,021	\$284	\$2,452
22	\$1,210	\$944	\$290	\$2,444
23	\$1,274	\$862	\$295	\$2,431
24	\$1,369	\$776	\$301	\$2,447
25	\$1,433	\$684	\$307	\$2,424
26	\$1,529	\$587	\$313	\$2,429
27	\$1,624	\$484	\$320	\$2,428
28	\$1,720	\$374	\$326	\$2,420
29	\$1,815	\$258	\$333	\$2,406
30	\$2,006	\$135	\$339	\$2,481
Total	\$27,548	\$37,480	\$7,752	\$72,779

1 - The principal and interest amounts are estimated using 6.25% 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.

3- Amounts shown do not include any TIRZ Credit.

Attachment: Chalk Hill PID No. 2 - SAP - v5.0 (Chalk Hill PID SAP Public Hearing (cont'd from Feb. 13))



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: March 23, 2018
Re: Chalk Hill Levy & Assessment Ordinance and Final SAP (Phase 1)

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 Assessment and Phase #1 Assessment Roll for the Chalk Hill Public Improvement District No. 2; making a finding of Special Benefit to the property in the District, levying special 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; and providing penalties and interest on delinquent assessments. (Chalk Hill Ph 1 SAP) (DeBuff)

Background Information:

This item approves the final Service and Assessment Plan, and levies special assessments against property in Phase #1 of Chalk Hill Public Improvement District.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This ordinance has been reviewed by the city attorney.

Supporting Documents:

- Proposed ordinance

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. _____

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 CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE DISTRICT; LEVYING SPECIAL 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 November 14, 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 within the City; and

WHEREAS, the petition satisfied the requirements of the PID Act because it contained the signatures of: (1) 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 (2) the record owners of real property liable for assessment who (A) constitute more than fifty percent of all record owners of property that is liable for assessment under the proposal, or (B) 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 December 12, 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. 2017-212R (the "Authorization Resolution") adopted by a majority of the members of the City Council, authorized and created the Chalk Hill Public Improvement District No. 2 (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 December 12, 2017, the Council adopted a resolution accepting the preliminary service and assessment plan, including proposed assessment rolls; calling for a public hearing to consider proposed assessments to be levied against assessable property

within the District; authorizing and directing the City Secretary of the City to publish notice of a public hearing to consider the levying of assessments against the property within the District (the "Levy and Assessment Hearing"); authorizing and directing the mailing of notice of the Levy and Assessment Hearing to owners of property liable for assessment; and directing related action; and

WHEREAS, on December 13, 2017 the City Secretary filed the assessment roll specified in the preliminary service and assessment plan and made the same available for public inspection; and

WHEREAS, the City Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Levy and Assessment Hearing on December 22, 2017 in *The Celina Record*, a newspaper of general circulation in the City; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, mailed the notice of the Levy and Assessment Hearing to the last known address of the owners of the property liable for the Phase #1 Assessments; and

WHEREAS, on February 13, 2018, the City Council convened the Levy and Assessment Hearing and recessed the Levy and Assessment Hearing until March 23, 2018; and

WHEREAS, on March 23, 2018, the City Council reconvened the Levy and Assessment Hearing 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 assessment roll, and the proposed assessments, and to offer testimony pertinent to any issue presented on the amount of the assessments, the allocation of the costs of the Phase #1 Improvements to be undertaken for the benefit of the (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 Chalk Hill Public Improvement District No. 2 Service and Assessment Plan, dated March 23, 2018 substantially in the form attached **Exhibit A**, which final form shall be approved by the City Manager and the City's land use attorney 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 for the Phase #1 Assessed Property (as defined in the Service and Assessment Plan) should be levied as provided in this Ordinance and the Service and Assessment Plan and the Phase #1 Assessment Roll attached thereto as Appendix E (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 costs of the Authorized Improvements as described in the Service and Assessment Plan, which Authorized Improvements include the Phase #1 Improvements, the Phase #1 Assessment Roll, and the levy of the Phase #1 Assessments, all as described in the Service and Assessment Plan; and

WHEREAS, 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, have indicated their approval and acceptance the Service and Assessment Plan, of the Phase #1 Assessment Roll, this Ordinance and their approval of the levy of the Phase #1 Assessments against their property located within the District, and their agreement 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; by their testimony at the Levy and Assessment Hearing or otherwise; 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, including the preambles to this Ordinance, have the meanings ascribed thereto as set forth in the Service and Assessment Plan.

Section 2. Findings.

The findings and determinations set forth in the preambles hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section. The City Council hereby finds, determines, and ordains, as follows:

(a) The apportionment of the costs of the Phase #1 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 Phase #1 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 Phase #1 Improvements;

(c) The Service and Assessment Plan apportions the cost(s) of the Phase #1 Improvements to be assessed against the property in Phase #1 of the District and such apportionment is made on the basis of special benefits accruing to the property because of the Phase #1 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 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 costs of the Phase #1 Improvements and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the costs of the Phase #1 Improvements and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the 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 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 a special 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 costs of the Phase #1 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 adoption hereof.

[Remainder of Page Intentionally Left Blank; Signatures to Follow]

PASSED AND ADOPTED, this _____, 2018

CITY OF CELINA, TEXAS

Mayor Pro Tem

ATTEST:

City Secretary

(City Seal)

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____
2018 by Chad Anderson and Vicki Faulkner, Mayor Pro Tem and Secretary, respectively, of the
City of Celina, Texas on behalf of said City.

Notary Public, State of Texas

(SEAL)

Attachment: Chalk Hill PID No. 2 Phase 1 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phase 1))

EXHIBIT A

Service and Assessment Plan

Attachment: Chalk Hill PID No. 2 Phase 1 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phase 1))

Draft

CHALK HILL
PUBLIC IMPROVEMENT DISTRICT NO. 2
SERVICE AND ASSESSMENT PLAN

MARCH 23, 2018

MuniCap

v5.0

Attachment: Chalk Hill PID No. 2 Phase 1 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phase 1))

CHALK HILL PUBLIC IMPROVEMENT DISTRICT No. 2

SERVICE AND ASSESSMENT PLAN

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Section I PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On December 12, 2017 (the “Creation Date”) the City Council of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2017-212R approving and authorizing the creation of the Chalk Hill Improvement District No. 2 (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 Chalk Hill Public Improvement District No. 2 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 D and E 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.

“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 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.

“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 D and Appendix E, 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 and Delinquency Reserve 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 – 3 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, an Assessment Roll for Phases #2 - 3 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 CADG Celina 156, LLC, a Texas limited liability company.

“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” 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 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 E.

“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 E, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phase #1 Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 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 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 - 3” 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 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, which are described in Section III.

“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 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 D, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of 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 2018 (Chalk Hill Public Improvement District No. 2 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 #43” means Planned Development District, #43 passed and approved by the City pursuant to Ordinance No 2010-26 dated as of April 12, 2010.

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

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

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

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

“TIRZ No. 10” means the Tax Increment Reinvestment Zone No. 10, City of Celina, Texas.

“TIRZ Credit” means, for each Parcel, the prorated amount of TIRZ Revenues calculated pursuant to Section VI 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. 10 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. 10 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 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 94.827 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 441 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (441) is based upon the proposed development plan.

B. Property Included in Phase #1 and Phases #2 - 3

Phase #1 consists of approximately 38.866 acres and is projected to consist of 157 single family residential units, to be developed as Phase #1, as further described in Section III. Phases # 2 - 3 consist of approximately 55.961 acres and are projected to consist of approximately 284 residential units. A map of the property within Phase #1 and Phases #2 – 3 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 D and Appendix E.

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 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:

The major roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Distribution System Improvements:

The major water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with 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 within 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	\$836,016
Water distribution system improvements	\$260,853
Sanitary sewer collection system improvements	\$1,748,283
Storm drainage collection system improvements	\$550,725
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$601,859
Total – Estimated Major Improvement Costs	\$3,997,736

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 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:

The Phase #1 roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Distribution System Improvements:

The Phase #1 water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with 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 within 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 Phase #1 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-B
Estimated Phase #1 Improvement Costs

Authorized Improvements	Total Estimated Phase #1 Improvement Costs
Road improvements	\$1,129,129
Water distribution system improvements	\$450,627
Sanitary sewer collection system improvements	\$545,213
Storm drainage collection system improvements	\$536,513
Soft costs including City, professional and miscellaneous soft costs	\$193,558
Subtotal – Estimated Phase #1 Improvement Costs	\$2,855,040
Add: Proportional share of estimated Major Improvement Costs ¹	\$1,423,230
Total Estimated Phase #1 Improvement Costs	\$4,278,270

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).

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 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.).

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 14 months to construct the Major Improvements and approximately 14 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 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 \$9,546,101 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 summarizes the sources and uses of funds required to construct the Major Improvements and Phase #1 Improvements, establish the PID, and issue the Phase #1 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.

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 expected to be issued starting in 2018 to finance the Major Improvements and Phase #1 Improvements. Table IV-A shows the sources and uses of the Bonds. The first series of Bonds for Phase #1 (“Phase #1A Bonds”) are anticipated to be issued to finance a portion of the Phase #1 Improvements, including costs to issue the Phase #1A Bonds, as shown in Table IV-A. Proceeds of the Phase #1A 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	MIA Bonds	Phase #1 Bonds	Total
Par amount	\$3,690,000	\$4,325,000	\$8,015,000
-Other funding sources	\$127,206	\$1,403,895	\$1,531,101
-Total Sources	\$3,817,206	\$5,728,895	\$9,546,101
Uses of Funds			
<u>Major Improvements</u>			
Road improvements	\$538,387	\$297,629	\$836,016
Water distribution system improvements	\$167,987	\$92,866	\$260,853
Sanitary sewer improvements	\$1,125,878	\$622,405	\$1,748,283
Storm drainage improvements	\$354,662	\$196,063	\$550,725
Other soft and miscellaneous costs	\$387,592	\$214,267	\$601,859
Subtotal	\$2,574,506	\$1,423,230	\$3,997,736
<u>Phase #1 Improvements</u>			
Road improvements	\$0	\$1,129,129	\$1,129,129
Water distribution system improvements	\$0	\$450,627	\$450,627
Sanitary sewer improvements	\$0	\$545,213	\$545,213
Storm drainage improvements	\$0	\$536,513	\$536,513
Other soft and miscellaneous costs	\$0	\$193,558	\$193,558
Subtotal	\$0	\$2,855,040	\$2,855,040
-Estimated Bond issue costs	\$1,242,700	\$1,450,625	\$2,693,325
Total Uses	\$3,817,206	\$5,728,895	\$9,546,101

Notes: Phase #1 Improvements include the Authorized Improvements listed under this heading plus the estimated \$1,423,230 pro rata share of the Major Improvements allocated to Phase #1.

The Phases #2 - 3 Major Improvement Bonds shown in Table IV-A are anticipated to be issued in 2018. The Phases #2 - 3 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 - 3 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 prorata share of the Major Improvements.

As Future Phases are developed, additional 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 phase #3 bonds will be issued to finance the Authorized Improvements required for Phase #3 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 and Annual Projected Indebtedness

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds
2018	\$9,546,101	\$8,015,000	\$1,531,101
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
2021	\$0	\$0	\$0
2022	\$0	\$0	\$0
Total	\$9,546,101	\$8,015,000	\$1,531,101

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.

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 – 3 Major Improvement Bonds to be issued in 2018, subsequent financings are to be issued over the upcoming decade as the 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") 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 Major Improvement costs are proportionally allocated to the Phases #2 – 3 Assessed Property and the Phase #1 Assessed Property based on the ratio of total estimated number of units for the Phases #2 - 3 Assessed Property and the Phase #1 Assessed Property.

6. The Phases #2 - 3 Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2 – 3 Assessed Property based on the total estimated number of 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 estimated number of 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 – 3 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.

Phase #1 is projected to contain 157 residential units. Phases #2 – 3 are projected to contain 284 residential units, resulting in a total projected number of units in the PID of 441. As a result, 35.60 percent of the estimated costs of Major Improvements (i.e. $157 \div 441 = 35.60\%$) are allocated to the Phase #1 Assessed Property and 64.40 percent of the estimated costs Major Improvements (i.e., $284 \div 441 = 64.40\%$) are allocated to the Phases #2 - 3 Assessed Property. The Phases #2 – 3 Major Improvement Bonds will fund the proportionate share of the estimated costs of the Major Improvements allocated to Phases #2 – 3 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	\$836,016
Water Improvements	\$260,853
Sanitary Sewer Improvements	\$1,748,283
Storm Drainage Improvements	\$550,725
Other soft and miscellaneous costs	\$601,859
Total Major Improvements	\$3,997,736
Phase #1	
Projected total number of units	157
% of total units	35.60%
Proportionate Share of Costs	\$1,423,230
Phases #2 - 3	
Projected total number of units	284
% of total units	64.40%
Proportionate Share of Costs	\$2,574,506

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 - 3

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 - 3 shall be allocated to the Phases #2 - 3 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of units anticipated to be developed on each Parcel.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated number of units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated number of units at the time residential Lots are platted to the total estimated number 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 - 3 is

shown on the Phases #2 – 3 Major Improvement Assessment Roll, attached as Appendix D, 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 number of units anticipated to be developed on each Parcel within Phase #1.

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 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 number of units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated number of units at the time residential Lots are platted to the total estimated number 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 E, 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 Phase #1 Bonds and the Phases #2 – 3 Major Improvement Bonds will be levied on each Parcel according to the Phases #2 – 3 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, attached hereto as Appendix D and Appendix E, respectively. As shown in Table IV-A, the total amount of Phases #2-3 Major Improvement Bonds, which represents the total amount of Assessment levied on the Phases #2-3 Major Improvement Assessed Property, is \$3,690,000. The total estimated number of units to be constructed within Phases #2-3 is 284. As a result, the Phases #2-3 Major Improvement Assessment per unit is \$12,993 as shown below.

	Phases #2-3	Phase #1
Total Assessment	\$3,690,000	\$4,325,000
Number of Units	284	157
Assessment per Unit	\$12,993	\$27,548

As shown in Table IV-A, the total amount of the Phase #1 Bonds, which represents the total Assessment levied on the Phase #1 Assessed Property, is \$4,325,000. The total estimated number

of units to be constructed within Phase #1 is 157. As a result, the Phase #1 Assessment per unit, which is also the Maximum Assessment per Unit, is \$27,548 as shown above.

The Annual Installments for the Phases #2 – 3 Major Improvement Bonds and the Phase #1 Bonds will be 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.

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. Prepayment and Delinquency 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 “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.

H. TIRZ Credit

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of such Parcel’s Assessments (the “TIRZ Annual Credit Amount”). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to the Parcel then on deposit in the TIRZ No. 10 tax increment fund. The TIRZ Annual Credit Amount applicable to each Parcel shall be calculated as described under Section VI 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

The Assessment and Annual Installments for each Assessed Property located within Phases #2 - 3 are shown on the Phases #2 – 3 Major Improvement Assessment Roll, attached as Appendix D, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Phases #2 - 3 Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phases #2 – 3 Major Improvement Bonds, (ii) 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 TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2018 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2019). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The number of units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

B. Amount of Assessments and Annual Installments for Parcels Located Within Phase #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 E, 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) 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 TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2018 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2019). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The number of units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

C. 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 number of units to be built on each new subdivided Parcel
- D = the sum of the estimated number of 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.

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 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 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 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 Rolls, 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 shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds and (ii) 9.37 percent per annum. The Phases #2 - 3 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated Bond interest rate of 6.5% and additional interest at the rate of 0.5% for Administrative Expenses or 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 6.25%, and an additional interest at the rate of 0.5% for Prepayment and Delinquency Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls, updated with the actual interest rates on the Bonds, are shown as Appendix D and Appendix E.

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.

Section VII THE ASSESSMENT ROLL

A. Major Improvement Area Assessment Roll

Each Parcel within Phases #2 - 3 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 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 \$3,817,206 in special benefit received by Phases #2 - 3 from a portion of the Major Improvements, the pro rata costs of the PID formation, and bond issuance costs for the proposed Phases #2 – 3 Major Improvement Bonds. The amount of Phases #2 – 3 Major Improvement Bonds is \$3,690,000, which is less than the benefit received by Phases #2 – 3 Assessed Property, and as such the total Assessment for all Assessed Property within Phases #2 - 3 is \$3,690,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within the Phases #2 - 3 is 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 D.

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 \$5,728,895 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 \$4,325,000, 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 \$4,325,000 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 – 3 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.

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

PROPERTY DESCRIPTION:

Being a 94.827 acre tract of land situated in the George W. Eastes Survey, Abstract Number 299, the William W. Shawver Survey, Abstract Number 810, and the William B. Tucker Survey, Abstract Number 912, City of Celina, Collin County, Texas, and being a part of that certain tract of land described by deed to CADG CELINA 156, LLC, recorded under Document Number 20141015001128280, Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2 inch iron rod found for the most northwest corner of a tract of land described to A.P. Sommerhalder, LLC, by deed recorded in document number 20150625000764600, Deed Records, Collin County, Texas, and the southwest corner of that certain tract of land described by deed to Preston 51 CR 102, LP, recorded under Document Number 20071120001569950 of the Official Public Records of Collin County, Texas, and being in the east line of State Highway No. 289, also known as Preston Road, having a variable width right-of-way, and being within County Road 102;

THENCE South 89 degrees 43 minutes 35 seconds East, within said County Road 102 and with the north line of said A. P. Sommerhalder tract and the south line of said Preston 51 CR 102 tract, a distance of 737.08 feet to a point for corner, being the POINT OF BEGINNING;

THENCE South 89 degrees 43 minutes 35 seconds East, continuing within said County Road 102, a distance of 1803.23 feet to a point for the southeast corner of said Preston 51 CR 102, LP tract, same being an inner ell corner of said CADG Celina 156, LLC tract;

THENCE North 00 degrees 26 minutes 05 seconds West, with the east line of said Preston 51 CR 102, LP tract and the northernmost west line of said CADG Celina 156, LLC tract, a distance of 640.81 feet to a 1/2 inch iron rod found for the southwest corner of that same tract of land described to Mohammad Ali Dalaki, by deed recorded in Document Number 20141119001266880, Official Public Records, Collin County, Texas, same being the northernmost northwest corner of said CADG Celina 156, LLC tract;

THENCE North 89 degrees 49 minutes 17 Seconds East, with the south line of said Dalaki tract and the north line of said CADG Celina 156, LLC tract, a distance of 1391.00 feet to a point for the southeast corner of said Dalaki tract and the northeast corner of said CADG Celina 156, LLC tract, said point lying on the west line of that same tract of land described to Nanda Estates, LLC, by deed recorded in Document Number 20140709000706790, Official Public Records, Collin County, Texas;

THENCE South 00 degrees 30 minutes 42 seconds East, with the west line of said Nanda Estates, LLC tract and the easternmost line of said CADG Celina 156, LLC tract, a distance of 1391.70 feet to a 5/8 inch iron rod found for the easternmost southeast corner thereof, same being the southwest corner of said Nanda Estates, LLC tract, and lying on the north line of that same tract of land described to Four Winds Enterprises, Ltd., by deed recorded in Volume 5476, Page 8080, Official Public Records, Collin County, Texas;

THENCE South 88 degrees 45 minutes 36 seconds West, with the north line of said Four Winds Enterprises, Ltd. tract, and the easternmost south line of said CADG Celina 156, LLC tract, a distance of 551.59 feet to a point for corner;

THENCE South 89 degrees 08 minutes 14 seconds West, continuing with the north line of said Four Winds Enterprises, Ltd. tract, and the easternmost south line of said CADG Celina 156, LLC tract, a distance of 1442.68 feet to a 1/2 inch iron rod found for the northwest corner of said Four Winds Enterprises, Ltd. tract and an inner ell corner of said CADG Celina 156, LLC tract;

THENCE South 00 degrees 08 minutes 33 seconds West, with the west line of said Four Winds Enterprises, Ltd. tract, and the southernmost east line of said CADG Celina 156, LLC tract, a distance of 45.11 feet to point for corner in the west line of said Four Winds Enterprises, Ltd., and at the beginning of a curve to the left having a radius of 708.00 feet, with a delta angle of 36 degrees 15 minutes 41 seconds, whose chord bears South 72 degrees 00 minutes 02 seconds West, a distance of 440.64 feet;

THENCE, in a southwesterly direction, departing the southernmost east line of said CADG Celina 156 tract, over, across, and upon said CADG Celina 156 tract, and with said curve, an arc length of 448.08 feet to a point for corner;

THENCE South 53 degrees 52 minutes 12 seconds West, continuing within said CADG Celina 156 tract, a distance of 1001.46 feet to a point for corner lying on the west line thereof, same being the east line of that certain tract of land described in deed to Sutton Field Investments, LLC, recorded under Document Number 20150305000240910, Official Public Records of Collin County, Texas;

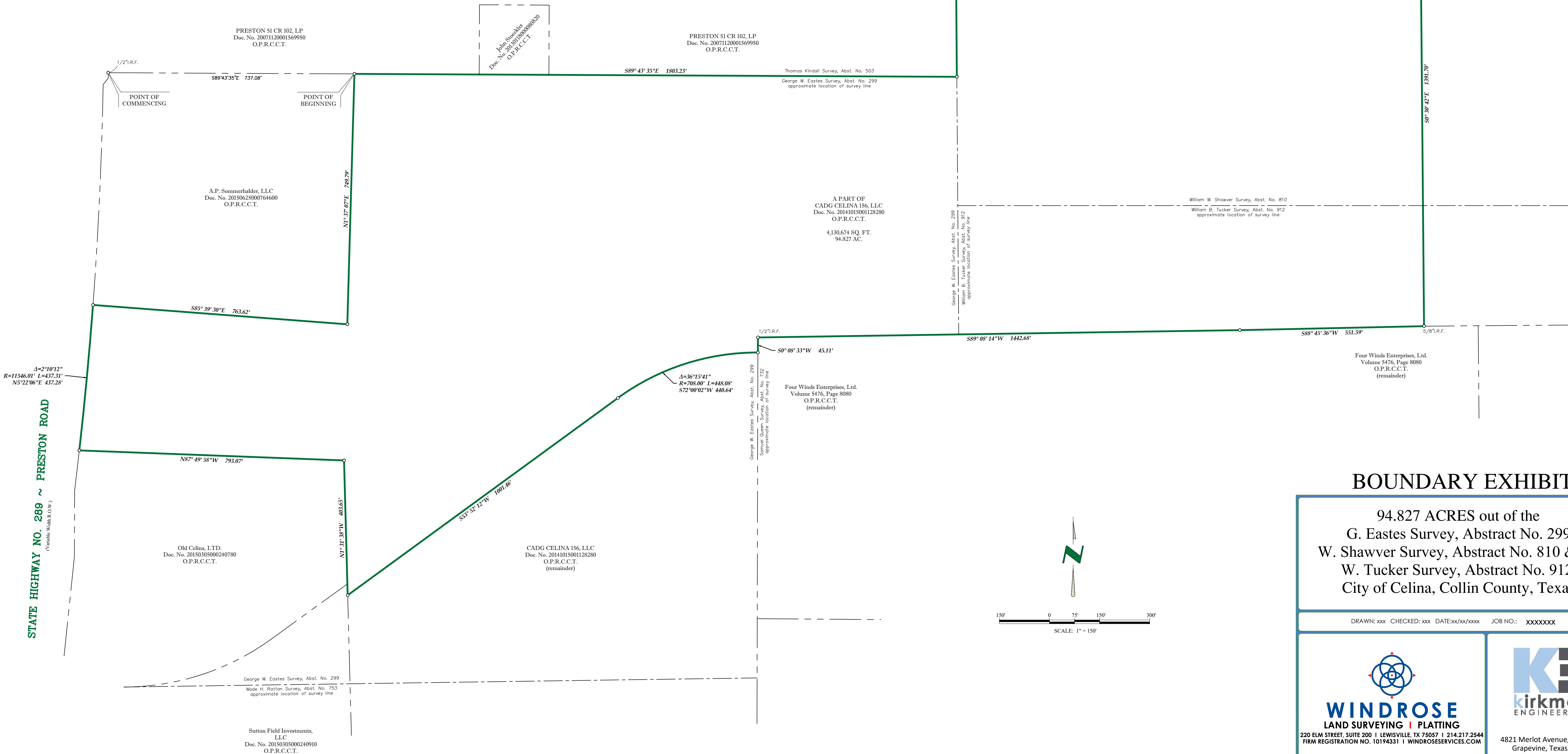
THENCE North 01 degrees 31 minutes 38 seconds West, with the west line of said CADG Celina 156 tract, the east line of said Sutton Field Investments, LLC, tract, and the east line of that certain tract of land described to Old Celina, LTD., by deed recorded under Document Number 20150305000240780 of the Official Public Records of Collin County, Texas, a distance of 403.65 feet to point for corner;

THENCE North 87 degrees 49 minutes 58 seconds West, with the westernmost south line of said CADG Celina 156 tract, and the north line of said Old Celina, LTD. tract, a distance of 793.07 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner in the east line of said Preston Road, lying in a curve to the left having a radius of 11546.01 feet, with a delta angle of 02 degrees 10 minutes 12 seconds, whose chord bears North 05 degrees 22 minutes 06 seconds East, a distance of 437.28 feet;

THENCE continuing with the east line of said Preston Road and with said curve, an arc length of 437.31 feet to a point for the westernmost northwest corner of said CADG Celina 156 tract and the southwest corner of said A.P. Sommerhalder, LLC tract;

THENCE South 85 degrees 39 minutes 30 seconds East, with the westernmost north line of said CADG Celina 156 tract and the south line of said A.P. Sommerhalder, LLC tract, a distance of 763.62 feet to point for the southeast corner of said A.P.Sommerhalder, LLC. tract and an interior corner of said CADG Celina 156 tract;

THENCE North 01 degrees 37 minutes 07 seconds East, with the northernmost west line of said CADG Celina 156 tract and the east line of said A.P. Sommerhalder, LLC. tract, a distance of 749.79 feet to the POINT OF BEGINNING, and containing 94.827 acres of land, more or less, and being subject to any and all easements that may affect.



BOUNDARY EXHIBIT

94.827 ACRES out of the
G. Eastes Survey, Abstract No. 299
W. Shawver Survey, Abstract No. 810 & the
W. Tucker Survey, Abstract No. 912,
City of Celina, Collin County, Texas

DRAWN: xxx CHECKED: xxx DATE:xx/xx/xxxx JOB NO.: XXXXXXX

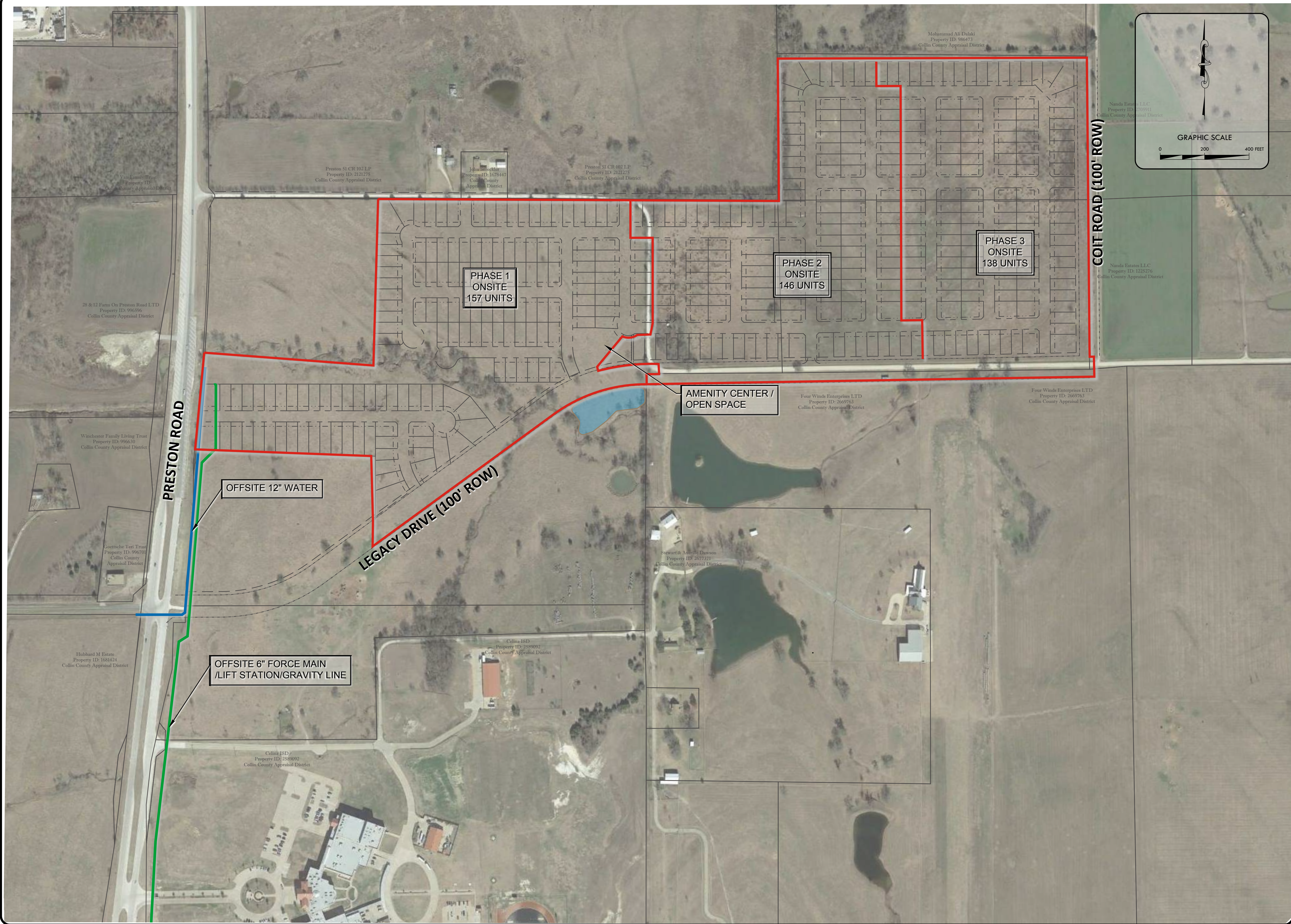
WINDROSE
LAND SURVEYING | PLATTING
220 ELM STREET, SUITE 200 | LEWISVILLE, TX 75057 | 214.217.2544
FIRM REGISTRATION NO. 10194331 | WINDROSESERVICES.COM

Kirkman
ENGINEERING

4821 Merlot Avenue, Suite 210
Grapevine, Texas 76051
Phone: 817-488-4960



EXHIBIT
CHALK HILL PID No. 2
CELINA, TEXAS



Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Chalk Hill - City of Celina
31-Oct-17

	CELINA	TOTAL
SF (50's)	441	441
Total SF Lots	441	441
SF Gross Acreage	94	94
SF Net Acreage	0	0

The Chalk Hill Public Improvement District Land Use Summary - City of Celina
FEBRUARY 7, 2018

	PHASE			
	1	2	3	TOTAL
SF (40's)	157	146	138	441
Total SF Lots	157	146	138	441
SF Gross Acreage	41	28	25	94
SF Net Acreage	0	0	0	0



	DIRECT PUBLIC				MASTER PUBLIC		PRIVATE				
DIVISION	1	2	3	TOTAL	MAJOR IMPROVEMENTS	TOTAL	1	2	3	TOTAL	TOTAL
CLEARING & EXCAVATION	\$62,250	\$95,010	\$83,350	\$240,610	\$76,505	\$76,505	\$726,679	\$587,550	\$592,670	\$1,906,899	\$2,224,014
WATER	\$450,627	\$405,023	\$366,253	\$1,221,904	\$260,853	\$260,853	\$0	\$0	\$0	\$0	\$1,482,756
SEWER	\$545,213	\$395,678	\$366,570	\$1,307,462	\$1,748,283	\$1,748,283	\$0	\$0	\$0	\$0	\$3,055,744
STORM SEWER	\$505,963	\$385,529	\$351,283	\$1,242,775	\$500,655	\$500,655	\$0	\$0	\$0	\$0	\$1,743,430
PAVEMENT	\$1,066,879	\$987,224	\$863,966	\$2,918,070	\$759,511	\$759,511	\$0	\$0	\$0	\$0	\$3,677,580
RETAINING WALLS	\$0	\$0	\$0	\$0	\$0	\$0	\$245,000	\$60,000	\$60,000	\$365,000	\$365,000
EROSION CONTROL	\$30,550	\$20,006	\$32,056	\$82,612	\$50,070	\$50,070	\$39,380	\$35,458	\$30,727	\$105,564	\$238,246
AMENITIES, LANDSCAPE, & SCREENING	\$0	\$0	\$0	\$0	\$0	\$0	\$237,650	\$182,300	\$408,900	\$828,850	\$828,850
FRANCHISE UTILITIES	\$27,200	\$18,700	\$20,400	\$66,300	\$40,800	\$40,800	\$0	\$0	\$0	\$0	\$107,100
MISCELLANEOUS & OTHER	\$5,000	\$5,000	\$5,000	\$15,000	\$5,000	\$5,000	\$39,540	\$36,900	\$35,360	\$111,800	\$131,800
SUB-TOTAL	\$2,693,684	\$3,827,446	\$3,369,221	\$9,890,350	\$3,441,676	\$3,441,676	\$1,288,249	\$902,208	\$1,127,657	\$3,318,113	\$16,650,139
SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING (7%)	\$188,558	\$267,921	\$235,845	\$692,325	\$240,917	\$240,917	\$90,177	\$63,155	\$78,936	\$232,268	\$1,165,510
SUB-TOTAL	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675	\$4,038,535	\$4,038,535	\$1,378,426	\$965,362	\$1,206,592	\$3,550,381	\$18,171,591
TOTAL	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675	\$4,038,535	\$4,038,535	\$1,378,426	\$1,055,583	\$1,319,358	\$3,753,367	\$18,374,577

COST TYPE	1	2	3	TOTAL
DIRECT PUBLIC	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675
PRIVATE	\$1,378,426	\$1,055,583	\$1,319,358	\$3,753,367
SUB-TOTAL	\$4,260,668	\$5,150,950	\$4,924,424	\$14,336,042
	MAJOR IMPROVEMENTS			
MASTER PUBLIC		\$4,038,535		\$4,038,535
TOTAL				\$18,374,577

- 1) This estimate is based on the attached concept plan.
- 2) Earthwork quantities do not include costs for rock excavation. A Geotech should be consulted regarding the treatment of cultivated soil and its use on the project.
- 3) Sidewalks adjacent to residential lots are excluded from above costs. Sidewalks are assumed to be constructed by the home builders, except where adjacent to park dedication, collectors, thoroughfare, or open space. ADA ramps are required to be built by the Developer.
- 4) All fees need to be verified by the City of Celina at the time of construction & permitting.
- 5) Turn lanes and deceleration lanes are not included in this cost estimate.
- 6) Construction timing of improvements are assumed to run concurrent with adjacent off-site master infrastructure improvements, Jurisdictional Water of the U.S. permitting is not included in this estimate.
- 8) It is assumed that no additional offsite easements will need to be acquired for the proposed utilities.
- 9) All earthwork numbers are contained to the limits of the ROW. Onsite earthwork numbers have been separated to the ROW and lots only.



PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

A. CLEARING & EXCAVATION									
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	3.3	\$8,250	6.5	\$16,350	5.7	\$14,350	15.6 \$38,950
STREET / ROW EXCAVATION	CY	\$3.00	18,000	\$54,000	26,220	\$78,660	23,000	\$69,000	67,220 \$201,660
TOTAL CLEARING & EXCAVATION				\$62,250		\$95,010		\$83,350	\$240,610

B. WATER									
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY TOTAL
8" P.V.C. WATERLINE	LF	\$30.00	6,500	\$195,000	5,976	\$179,280	5,257	\$157,710	17,733 \$531,990
8" GATE VALVE & BOX	EA	\$1,350.00	23	\$31,050	20	\$26,892	18	\$23,657	60 \$81,599
1" WATER SERVICE	EA	\$785.00	157	\$123,245	145	\$113,825	138	\$108,330	440 \$345,400
FIRE HYDRANT ASSEMBLY (INC. 6" GATE VALVE)	EA	\$4,180.00	13	\$54,340	12	\$49,959	11	\$43,949	35 \$148,248
AUTOMATIC FLUSH VALVE	EA	\$6,500.00	1	\$6,500	0	\$0	0	\$0	1 \$6,500
2" FLUSH LINE	EA	\$2,000.00	1	\$2,000	0	\$0	0	\$0	1 \$2,000
CONNECT TO EXISTING 12" LINE	EA	\$1,000.00	0	\$0	2	\$2,000	3	\$3,000	5 \$5,000
CONNECT TO EXISTING 18" LINE	EA	\$2,000.00	1	\$2,000	0	\$0	0	\$0	1 \$2,000
TRENCH SAFETY	LF	\$1.00	6,500	\$6,500	5,976	\$5,976	5,257	\$5,257	17,733 \$17,733
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	6,500	\$6,500	5,976	\$5,976	5,257	\$5,257	17,733 \$17,733
BONDS	%	2.00%	\$427,135	\$8,543	\$383,908	\$7,678	\$347,159	\$6,943	1,158,202 \$23,164
INSPECTION FEE	%	3.50%	\$427,135	\$14,950	\$383,908	\$13,437	\$347,159	\$12,151	1,158,202 \$40,537
TOTAL WATER				\$450,627		\$405,023		\$366,253	\$1,221,904



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

						1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC		NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM		GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:			NET AC.	0.0	0.0	0.0	0.0

C. SEWER										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SDR-26 P.V.C. SEWERLINE (ALL DEPTHS)	LF	\$39.00	6,700	\$261,300	5,700	\$222,300	5,000	\$195,000	17,400	\$678,600
8" PLUG	EA	\$500.00	3	\$1,500	3	\$1,500	1	\$500	7	\$3,500
4' DIAMETER MANHOLE (ALL DEPTHS)	EA	\$4,500.00	10	\$45,000	12	\$54,000	13	\$58,500	35	\$157,500
5' DIAMETER MANHOLE (ALL DEPTHS)	EA	\$9,500.00	11	\$104,500	0	\$0	0	\$0	11	\$104,500
4" SERVICE WITH CLEANOUT	EA	\$570.00	157	\$89,490	145	\$82,650	138	\$78,660	440	\$250,800
CONNECT TO EXISTING SANITARY SEWER	EA	\$1,600.00	1	\$1,600	2	\$3,200	3	\$4,800	6	\$9,600
TRENCH SAFETY	LF	\$1.00	6,700	\$6,700	5,700	\$5,700	5,000	\$5,000	17,400	\$17,400
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	6,700	\$6,700	5,700	\$5,700	5,000	\$5,000	17,400	\$17,400
BONDS	%	2.00%	\$516,790	\$10,336	\$375,050	\$7,501	\$347,460	\$6,949	1,239,300	\$24,786
INSPECTION FEE	%	3.50%	\$516,790	\$18,088	\$375,050	\$13,127	\$347,460	\$12,161	1,239,300	\$43,376
TOTAL SEWER				\$545,213		\$395,678		\$366,570		\$1,307,462



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

						1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC		NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM		GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:			NET AC.	0.0	0.0	0.0	0.0

D. STORM SEWER										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
18" RCP CLASS III	LF	\$50.50	1,038	\$52,419	600	\$30,300	700	\$35,350	2,338	\$118,069
24" RCP CLASS III	LF	\$61.00	1,084	\$66,124	1,200	\$73,200	1,100	\$67,100	3,384	\$206,424
24" RCP CLASS IV	LF	\$70.00	291	\$20,370	0	\$0	0	\$0	291	\$20,370
30" RCP CLASS III	LF	\$75.10	546	\$41,005	600	\$45,060	800	\$60,080	1,946	\$146,145
33" RCP CLASS III	LF	\$89.00	0	\$0	0	\$0		\$0	0	\$0
36" RCP CLASS III	LF	\$98.80	0	\$0	600	\$59,280	300	\$29,640	900	\$88,920
42" RCP CLASS III	LF	\$133.00	0	\$0	0	\$0	300	\$39,900	300	\$39,900
48" RCP CLASS III	LF	\$156.95	527	\$82,713	200	\$31,390	0	\$0	727	\$114,103
10' STD CURB INLET	EA	\$3,650.00	17	\$62,050	20	\$73,000	18	\$65,700	55	\$200,750
3'X3' WYE INLET	EA	\$3,575.00	2	\$7,150	0	\$0	0	\$0	2	\$7,150
4'X4' JUNCTION BOX	EA	\$5,000.00	5	\$25,000	4	\$20,000	4	\$20,000	13	\$65,000
5'X5' JUNCTION BOX	EA	\$6,000.00	4	\$24,000	4	\$24,000	1	\$6,000	9	\$54,000
18" HEADWALL	EA	\$2,500.00	1	\$2,500	0	\$0		\$0	1	\$2,500
24" HEADWALL	EA	\$2,900.00	1	\$2,900	0	\$0	0	\$0	1	\$2,900
30" HEADWALL	EA	\$3,250.00	1	\$3,250	0	\$0	0	\$0	1	\$3,250
46" HEADWALL	EA	\$4,000.00	0	\$0	0	\$0	0	\$0	0	\$0
48" HEADWALL	EA	\$4,620.00	1	\$4,620	0	\$0	0	\$0	1	\$4,620
RIP RAP OUTFALL PROTECTION	EA	\$3,000.00	4	\$12,000	2	\$6,000	2	\$6,000	8	\$24,000
GABION STRUCTURES - OPEN SPACE	EA	\$35,000.00	2	\$70,000	0	\$0	0	\$0	2	\$70,000
TRENCH SAFETY	LF	\$1.00	3,486	\$3,486	3,200	\$3,200	3,200	\$3,200	9,886	\$9,886
BONDS	%	2.00%	\$479,586	\$9,592	\$365,430	\$7,309	\$332,970	\$6,659	1,177,986	\$23,560
INSPECTION FEE	%	3.50%	\$479,586	\$16,786	\$365,430	\$12,790	\$332,970	\$11,654	1,177,986	\$41,230
TOTAL STORM SEWER				\$505,963		\$385,529		\$351,283		\$1,242,775



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

E. PAVEMENT										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
7" CONCRETE PAVEMENT WITH 6" CURBS (29' B-B)	SY	\$39.00	19,944	\$777,816	19,194	\$748,566	16,983	\$662,337	56,121	\$2,188,719
6" LIME STABILIZED SUBGRADE PREPARATION	SY	\$3.00	21,938	\$65,815	21,113	\$63,340	18,681	\$56,044	61,733	\$185,199
HYDRATED LIME FOR STREET (36#/SY)	TON	\$150.00	395	\$59,234	380	\$57,006	336	\$50,440	1,111	\$166,679
PAVEMENT HEADER	LF	\$15.00	124	\$1,860	93	\$1,395	31	\$465	248	\$3,720
5' REINFORCED CONCRETE SIDEWALK, 4" THICK	LF	\$27.50	1,080	\$29,700	0	\$0	0	\$0	1,080	\$29,700
GUARDRAIL	LF	\$35.00	585	\$20,475	0	\$0	0	\$0	585	\$20,475
BARRIER FREE PEDESTRIAN RAMP	EA	\$1,350.00	22	\$29,700	26	\$35,100	18	\$24,300	66	\$89,100
STREET/STOP SIGN COMBO	EA	\$1,850.00	10	\$18,500	11	\$20,350	8	\$14,800	29	\$53,650
CONDUIT - 2" (OPEN CUT) STREET LIGHTS/FRANCHISE	LF	\$10.00	816	\$8,160	1,000	\$10,000	1,054	\$10,540	2,870	\$28,700
BONDS	%	2.00%	\$1,011,260	\$20,225	\$935,757	\$18,715	\$818,925	\$16,379	2,765,943	\$55,319
INSPECTION FEE	%	3.50%	\$1,011,260	\$35,394	\$935,757	\$32,752	\$818,925	\$28,662	2,765,943	\$96,808
TOTAL PAVEMENT				\$1,066,879		\$987,224		\$863,966		\$2,918,070

F. EROSION CONTROL										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
INLET PROTECTION	EA	\$200.00	18	\$3,600	20	\$4,000	18	\$3,600	56	\$11,200
CURLEX AFTER PAVING (4' WIDE)	LF	\$1.50	11,300	\$16,950	4,004	\$6,006	0	\$18,456	15,304	\$22,956
DRAINAGE EROSION CONTROL	LS	\$10,000.00	1	\$10,000	1	\$10,000	1	\$10,000	3	\$30,000
TOTAL EROSION CONTROL				\$30,550		\$20,006		\$32,056		\$64,156



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

G. FRANCHISE UTILITIES

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
STREET LIGHTS	EA	\$1,700.00	16	\$27,200	11	\$18,700	12	\$20,400	39	\$66,300
TOTAL FRANCHISE UTILITIES				\$27,200		\$18,700		\$20,400		\$66,300

H. MISCELLANEOUS & OTHER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CITY REVIEW FEES	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TOTAL MISCELLANEOUS & OTHER				\$5,000		\$5,000		\$5,000		\$15,000



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

SUMMARY - DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA	1	2	3	TOTAL
A. CLEARING & EXCAVATION	\$62,250	\$95,010	\$83,350	\$240,610
B. WATER	\$450,627	\$405,023	\$366,253	\$1,221,904
C. SEWER	\$545,213	\$395,678	\$366,570	\$1,307,462
D. STORM SEWER	\$505,963	\$385,529	\$351,283	\$1,242,775
E. PAVEMENT	\$1,066,879	\$987,224	\$863,966	\$2,918,070
F. EROSION CONTROL	\$30,550	\$20,006	\$32,056	\$64,156
G. FRANCHISE UTILITIES	\$27,200	\$18,700	\$20,400	\$66,300
H. MISCELLANEOUS & OTHER	\$5,000	\$5,000	\$5,000	\$15,000
I. CLEARING & EXCAVATION - LEGACY DRIVE	\$0	\$51,800	\$24,090	\$152,395
J. CLEARING & EXCAVATION - COIT	\$0	\$0	\$40,804	\$40,804
K. WATER - LEGACY DRIVE	\$0	\$28,525	\$84,516	\$279,229
L. WATER - PRESTON ROAD	\$0	\$0	\$0	\$94,665
M. WATER - COIT ROAD	\$0	\$0	\$97,664	\$97,664
N. SEWER - LEGACY DRIVE	\$0	\$0	\$84,733	\$84,733
O. SEWER - PRESTON ROAD	\$0	\$0	\$0	\$1,748,283
P. SEWER - COIT ROAD	\$0	\$0	\$40,868	\$40,868
Q. STORM SEWER - LEGACY DRIVE	\$0	\$303,998	\$121,635	\$926,288
R. STORM SEWER - COIT ROAD	\$0	\$0	\$101,814	\$101,814
S. PAVEMENT - LEGACY DRIVE	\$0	\$1,106,703	\$230,387	\$2,096,600
T. PAVEMENT - COIT ROAD (90' ROW)	\$0	\$0	\$411,080	\$411,080
U. EROSION CONTROL	\$0	\$14,150	\$27,552	\$91,772
V. FRANCHISE UTILITIES	\$0	\$5,100	\$10,200	\$56,100
W. MISCELLANEOUS & OTHER	\$0	\$5,000	\$5,000	\$15,000
SUB-TOTAL	\$2,693,684	\$3,827,446	\$3,369,221	\$13,313,570
SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING (7%)	\$188,558	\$267,921	\$235,845	\$931,950
ROADWAY IMPACT FEES (4.233*#LOTS*694)	\$0	\$0	\$0	\$0
WATER IMPACT FEES (\$3,276/LOT) (BUILDER)	\$0	\$0	\$0	\$0
WASTEWATER IMPACT FEES (\$4,631/LOT) (BUILDER)	\$0	\$0	\$0	\$0
PARK AND OPEN SPACE FEE (\$1500/LOT)	\$0	\$0	\$0	\$0
SUB-TOTAL	\$2,882,241	\$4,095,367	\$3,605,066	\$14,245,520
MISCELLANEOUS & CONTINGENCY (10%)	\$0	\$0	\$0	\$0
TOTAL COST	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675



PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		NET AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

A.1 CLEARING & EXCAVATION - LEGACY DRIVE (100' ROW, 74' B-B, 3,440 LF)										
DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	5.2	\$13,100	3	\$6,800	2	\$4,125	9.61	\$24,025
STREET / ROW EXCAVATION/DETENTION	CY	\$3.00	21,135	\$63,405	15,000	\$45,000	6,655	\$19,965	42,790.00	\$128,370
TOTAL CLEARING & EXCAVATION - LEGACY DRIVE				\$76,505		\$51,800		\$24,090		\$152,395

A.2 CLEARING & EXCAVATION - COIT RD. (60' ROW, 37' B-B, 1,342 LF)										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3 (1,342 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	0	\$0	0.0	\$0	2.8	\$6,925	2.77	\$6,925
STREET / ROW EXCAVATION	CY	\$3.00	0	\$0	0	\$0	11,293	\$33,879	11,293	\$33,879
TOTAL CLEARING & EXCAVATION - COIT RD.				\$0		\$0		\$40,804		\$40,804



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

B.1 WATER - ALONG LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
12" P.V.C. WATERLINE	LF	\$48.00	2,366	\$113,568	530	\$25,440	1,600	\$76,800	4,496	\$215,808
12" GATE VALVE & BOX	EA	\$2,300.00	4	\$9,200	0	\$0	0	\$0	4	\$9,200
12" PLUG	EA	\$750.00	1	\$750	1	\$750	1	\$750	3	\$2,250
FIRE HYDRANT ASSEMBLY	EA	\$4,180.00	4	\$16,720	0	\$0	0	\$0	4	\$16,720
CONNECT TO EXISTING LINE	EA	\$1,000.00	1	\$1,000	0	\$0	0	\$0	1	\$1,000
18"x12" TAPPING SLEEVE AND VALVE	EA	\$12,500.00	1	\$12,500	0	\$0	0	\$0	1	\$12,500
TRENCH SAFETY	LF	\$1.00	2,366	\$2,366	530	\$530	1,600	\$1,600	4,496	\$4,496
TESTING (EXCLUDING GEOTECH)	LF	\$0.60	2,366	\$1,420	530	\$318	1,600	\$960	4,496	\$2,698
BONDS	%	2.00%	\$157,524	\$3,150	\$27,038	\$541	\$80,110	\$1,602	264,672	\$5,293
INSPECTION FEE	%	3.50%	\$157,524	\$5,513	\$27,038	\$946	\$80,110	\$2,804	264,672	\$9,264
TOTAL WATER - ALONG LEGACY DRIVE				\$166,187		\$28,525		\$84,516		\$279,229

B.2 WATER - ALONG PRESTON RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
12" P.V.C. WATERLINE	LF	\$48.00	1,400	\$67,200	0	\$0	0	\$0	1,400	\$67,200
12" GATE VALVE & BOX	EA	\$2,300.00	6	\$13,800	0	\$0	0	\$0	6	\$13,800
12" PLUG	EA	\$750.00	1	\$750	0	\$0	0	\$0	1	\$750
FIRE HYDRANT ASSEMBLY	EA	\$4,180.00	1	\$4,180	0	\$0	0	\$0	1	\$4,180
CONNECT TO EXISTING LINE	EA	\$1,000.00	1	\$1,000	0	\$0	0	\$0	1	\$1,000
TRENCH SAFETY	LF	\$1.00	1,400	\$1,400	0	\$0	0	\$0	1,400	\$1,400
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	1,400	\$1,400	0	\$0	0	\$0	1,400	\$1,400
BONDS	%	2.00%	\$89,730	\$1,795	\$0	\$0	\$0	\$0	89,730	\$1,795
INSPECTION FEE	%	3.50%	\$89,730	\$3,141	\$0	\$0	\$0	\$0	89,730	\$3,141
TOTAL WATER - ALONG PRESTON RD.				\$94,665		\$0		\$0		\$94,665



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

B.3 WATER - ALONG COIT RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
12" P.V.C. WATERLINE	LF	\$48.00	0	\$0	0	\$0	1,342	\$64,416	1,342	\$64,416
12" GATE VALVE & BOX	EA	\$2,300.00	0	\$0	0	\$0	4	\$10,289	4	\$10,289
12" PLUG	EA	\$750.00	0	\$0	0	\$0	1	\$750	1	\$750
FIRE HYDRANT ASSEMBLY	EA	\$4,180.00	0	\$0	0	\$0	3	\$11,219	3	\$11,219
CONNECT TO EXISTING LINE	EA	\$1,000.00	0	\$0	0	\$0	1	\$1,000	1	\$1,000
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	1,342	\$1,342	1,342	\$1,342
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	0	\$0	0	\$0	1,342	\$1,342	1,342	\$1,342
TESTING (GEOTECH)	LF	\$1.65	0	\$0	0	\$0	1,342	\$2,214	1,342	\$2,214
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$92,572	\$1,851	92,572	\$1,851
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$92,572	\$3,240	92,572	\$3,240
TOTAL WATER - ALONG COIT RD.				\$0		\$0		\$97,664		\$97,664

C.1 SEWER - ALONG LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SANITARY SEWER MAIN (SDR-26)	LF	\$39.00	0	\$0	0	\$0	1,403	\$54,717	1,403	\$54,717
MANHOLE - STD 4 DIA	LF	\$4,500.00	0	\$0	0	\$0	5	\$22,500	5	\$22,500
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	1,403	\$1,403	1,403	\$1,403
POST CONSTRUCTION CCTV	LF	\$1.25	0	\$0	0	\$0	1,403	\$1,754	1,403	\$1,754
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$80,374	\$1,607	80,374	\$1,607
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$78,620	\$2,752	78,620	\$2,752
TOTAL SEWER				\$0		\$0		\$84,733		\$84,733



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

C.2 SEWER - ALONG PRESTON ROAD

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SANITARY SEWER MAIN (SDR-35)	LF	\$34.00	900	\$30,600	0	\$0	0	\$0	900	\$30,600
8" SANITARY SEWER FORCE MAIN	LF	\$48.00	2,130	\$102,240	0	\$0	0	\$0	2,130	\$102,240
MANHOLE - STD 5 DIA	EA	\$9,500.00	2	\$19,000	0	\$0	0	\$0	2	\$19,000
CONNECT TO EXISTING MANHOLE	EA	\$3,500.00	1	\$3,500	0	\$0	0	\$0	1	\$3,500
LIFT STATION	EA	\$1,500,000.00	1	\$1,500,000	0	\$0	0	\$0	1	\$1,500,000
TRENCH SAFETY	LF	\$1.00	900	\$900	0	\$0	0	\$0	900	\$900
POST CONSTRUCTION CCTV	LF	\$1.00	900	\$900	0	\$0	0	\$0	900	\$900
BONDS	%	2.00%	\$1,657,140	\$33,143	\$0	\$0	\$0	\$0	1,657,140	\$33,143
INSPECTION FEE	%	3.50%	\$1,657,140	\$58,000	\$0	\$0	\$0	\$0	1,657,140	\$58,000
TOTAL SEWER				\$1,748,283		\$0		\$0		\$1,748,283



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

C.3 SEWER - ALONG COIT RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SANITARY SEWER MAIN (SDR-26)	LF	\$39.00	0	\$0		\$0	830	\$32,370	830	\$32,370
MANHOLE - STD 4 DIA	LF	\$4,500.00	0	\$0		\$0	1	\$4,500	1	\$4,500
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	830	\$830	830	\$830
POST CONSTRUCTION CCTV	LF	\$1.25	0	\$0	0	\$0	830	\$1,038	830	\$1,038
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$38,738	\$775	38,738	\$775
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$38,738	\$1,356	38,738	\$1,356
TOTAL SEWER ALONG COIT RD.				\$0		\$0		\$40,868		\$40,868

D.1 STORM SEWER - LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
18" RCP	LF	\$50.50	1,000	\$50,500	110	\$5,555	200	\$10,100	1,310	\$66,155
24" RCP	LF	\$61.00	71	\$4,331	0	\$0	0	\$0	71	\$4,331
42" RCP	LF	\$133.00	270	\$35,910	0	\$0	400	\$53,200	670	\$89,110
48" RCP	LF	\$156.95	270	\$42,377	500	\$78,475	200	\$31,390	970	\$152,242
4x3 SBC	LF	\$180.00	0	\$0	939	\$169,020	0	\$0	939	\$169,020
2-4'X4' MULTI BOX CULVERT	LF	\$1,100.00	100	\$110,000	0	\$0	0	\$0	100	\$110,000
5-5'X5' MULTI BOX CULVERT	LF	\$1,100.00	100	\$110,000	0	\$0	0	\$0	100	\$110,000
10' STD CURB INLET	EA	\$3,500.00	8	\$28,000	2	\$7,000	4	\$14,000	14	\$49,000
4' JUNCTION BOX	EA	\$5,000.00	1	\$6,100	0	\$0	1	\$5,000	2	\$10,000
5-5'X5' MULTI BOX CULVERT HEADWALLS	EA	\$15,000.00	2	\$30,000	0	\$0	0	\$0	2	\$30,000
2-4'X4' MULTI BOX CULVERT HEADWALLS	EA	\$12,000.00	2	\$24,000	0	\$0	0	\$0	2	\$24,000
12" GROUTED ROCK RIP RAP	SY	\$105.00	283	\$29,715	0	\$0	0	\$0	283	\$29,715
POND OUTFALL STRUCTURE	EA	\$25,000.00	0	\$0	1	\$25,000	0	\$0	1	\$25,000
TRENCH SAFETY	LF	\$1.00	1,811	\$1,811	1,549	\$1,549	800	\$800	4,160	\$4,160
TESTING (TV)	LF	\$1.00	1,811	\$1,811	1,551	\$1,551	804	\$804	4,166	\$4,166
BONDS	%	2.00%	\$474,555	\$9,491	\$288,150	\$5,763	\$115,294	\$2,306	877,999	\$17,560
INSPECTION FEE	%	3.50%	\$474,555	\$16,609	\$288,150	\$10,085	\$115,294	\$4,035	877,999	\$30,730
TOTAL STORM SEWER - LEGACY DRIVE				\$500,655		\$303,998		\$121,635		\$925,188



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

D.2 STORM SEWER - COIT RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
18" RCP	LF	\$50.50	0	\$0		\$0	1,400	\$70,700	1,400	\$70,700
30" RCP	LF	\$90.00	0	\$0	0	\$0	0	\$0	0	\$0
36" RCP	LF	\$125.00	0	\$0	0	\$0	0	\$0	0	\$0
42" RCP	LF	\$133.00	0	\$0	0	\$0	0	\$0	0	\$0
10' STD CURB INLET	EA	\$3,600.00	0	\$0		\$0	6	\$21,600	6	\$21,600
3' X 3' WYE INLET	EA	\$3,500.00	0	\$0		\$0		\$0	0	\$0
5' JUNCTION BOX	EA	\$6,000.00	0	\$0		\$0	0	\$0	0	\$0
TEMPORARY HEADWALL, GTD, & RIP-RAP	EA	\$5,000.00	0	\$0	0	\$0	0	\$0	0	\$0
12" GROUTED ROCK RIP RAP	SY	\$75.00	0	\$0	0	\$0	0	\$0	0	\$0
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	1,400	\$1,400	1,400	\$1,400
TESTING (GEOTECH)	LF	\$1.00	0	\$0	0	\$0	1,400	\$1,400	1,400	\$1,400
TESTING (TV)	LF	\$1.00	0	\$0	0	\$0	1,406	\$1,406	1,406	\$1,406
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$96,506	\$1,930	96,506	\$1,930
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$96,506	\$3,378	96,506	\$3,378
TOTAL STORM SEWER - E. COIT RD.				\$0		\$0		\$101,814		\$101,814

E.1 PAVEMENT - LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
SECTION, PHASE 2: 28' B-B HALF SECTION + PHASE 1 SOUTH HALF SECTION, PHASE 3: 28' B-B HALF SECTION) ; EACH PHASE WILL INCLUDE 9' OF MEDIAN	SY	\$45.00	10,050	\$452,250	14,910	\$670,950	3,000	\$135,000	27,960	\$1,258,200
8" LIME STABILIZED SUBGRADE PREPARATION	SY	\$3.30	11,055	\$36,482	16,401	\$54,123	3,300	\$10,890	30,756	\$101,495
HYDRATED LIME FOR STREET (53#/SY)	TON	\$155.00	293	\$45,408	394	\$61,012	79	\$12,276	766	\$118,696
PAVEMENT HEADER	LF	\$15.00	28	\$420	28	\$420	28	\$420	84	\$1,260
BARRIER FREE PEDESTRIAN RAMP	EA	\$1,350.00	4	\$5,400	2	\$2,700	2	\$2,700	8	\$10,800
BARRICADES	EA	\$1,500.00	1	\$1,500	1	\$1,500	1	\$1,500	3	\$4,500
STREET SIGN	EA	\$1,300.00	3	\$3,900	1	\$1,300	1	\$1,300	5	\$6,500
10' CONCRETE SIDEWALK	LF	\$60.00	2,439	\$146,340	3,626	\$217,560	706	\$42,360	6,771	\$406,260
TRAFFIC CONTROL	LS	\$5,000.00	1.0	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TESTING	SY	\$2.10	11,055	\$23,216	16,401	\$34,442	3,300	\$6,930	30,756	\$64,588
BONDS	%	2.00%	\$719,915	\$14,398	\$1,049,007	\$20,980	\$218,376	\$4,368	1,987,299	\$39,746
INSPECTION FEE	%	3.50%	\$719,915	\$25,197	\$1,049,007	\$36,715	\$218,376	\$7,643	1,987,299	\$69,555
TOTAL PAVEMENT - LEGACY DRIVE				\$759,511		\$1,106,703		\$230,387		\$2,096,600



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

E.2 PAVEMENT - COIT ROAD (60' ROW)

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" REINF. CONCRETE STREET PAVEMENT (37" B-B, 1,342 LF)	SY	\$45.00	0	\$0	0	\$0	5,520	\$248,400	5,520	\$248,400
8" LIME STABILIZED SUBGRADE PREPARATION	SY	\$3.30	0	\$0	0	\$0	6,072	\$20,038	6,072	\$20,038
HYDRATED LIME FOR STREET (53#/SY)	TON	\$155.00	0	\$0	0	\$0	109	\$16,941	109	\$16,941
PAVEMENT HEADER	LF	\$15.00	0	\$0	0	\$0	37	\$555	37	\$555
BARRIER FREE PEDESTRIAN RAMP	EA	\$1,350.00	0	\$0	0	\$0	2	\$2,700	2	\$2,700
BARRICADES	EA	\$1,500.00	0	\$0	0	\$0	1	\$1,500	1	\$1,500
STREET SIGN	EA	\$1,300.00	0	\$0	0	\$0	2	\$2,600	2	\$2,600
STOP SIGN	EA	\$1,250.00	0	\$0	0	\$0	2	\$2,500	2	\$2,500
6" CONCRETE SIDEWALK	LF	\$30.00	0	\$0	0	\$0	2,684	\$80,520	2,684	\$80,520
TRAFFIC CONTROL	LS	\$3,000.00	0	\$0	0	\$0	1	\$3,000	1	\$3,000
TESTING	SY	\$2.10	0	\$0	0	\$0	6,072	\$12,751	6,072	\$12,751
BONDS	%	2.00%	0	\$0	0	\$0	\$391,505	\$7,830	391,505	\$7,830
INSPECTION FEE	%	3.00%	0	\$0	0	\$0	\$391,505	\$11,745	391,505	\$11,745
TOTAL PAVEMENT - COIT ROAD (90' ROW)				\$0		\$0		\$411,080		\$411,080



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

F.1 EROSION CONTROL - PRESTON ROAD

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
SILT FENCE	LF	\$1.50	6,500	\$9,750	0	\$0	0	\$0	6,500	\$9,750
EROSION CONTROL INSPECTION & MAINTENANCE	LS	\$5,000.00	1	\$5,000	0	\$0	0	\$0	1	\$5,000
TOTAL EROSION CONTROL				\$14,750		\$0		\$0		\$14,750

F.2 EROSION CONTROL - LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
INLET PROTECTION	EA	\$200.00	8	\$1,600	2	\$400	4	\$800	14	\$2,800
SWPPP	LS	\$5,000.00	0	\$0		\$0	0	\$0	0	\$0
SILT FENCE	LF	\$1.50	9,300	\$13,950	3,200	\$4,800	5,000	\$7,500	17,500	\$26,250
CONSTRUCTION ENTRANCE	EA	\$5,000.00	1	\$5,000	0	\$0	0	\$0	1	\$5,000
CURLEX AFTER PAVING (8' WIDE)	LF	\$1.50	5,180	\$7,770	1,300	\$1,950	2,800	\$4,200	9,280	\$13,920
DRAINAGE EROSION CONTROL	LS	\$2,000.00	1	\$2,000	1	\$2,000	1	\$2,000	3	\$6,000
EROSION CONTROL INSPECTION & MAINTENANCE	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TOTAL EROSION CONTROL				\$35,320		\$14,150		\$19,500		\$68,970

F.3 EROSION CONTROL - COIT ROAD

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
INLET PROTECTION	EA	\$175.00	0	\$0	0	\$0	0	\$0	0	\$0
SWPPP	LS	\$5,000.00	0	\$0	0	\$0	0	\$0	0	\$0
SILT FENCE	LF	\$1.50	0	\$0	0	\$0	2,684	\$4,026	2,684	\$4,026
CONSTRUCTION ENTRANCE	EA	\$2,500.00	0	\$0	0	\$0	0	\$0	0	\$0
CURLEX AFTER PAVING (8' WIDE)	LF	\$1.50	0	\$0	0	\$0	2,684	\$4,026	2,684	\$4,026
ROCK CHECK DAM	EA	\$1,500.00	0	\$0	0	\$0	0	\$0	0	\$0
SEEDING	AC	\$285.00	0	\$0	0	\$0	0	\$0	0	\$0
EROSION CONTROL INSPECTION & MAINTENANCE	LS	\$5,000.00	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL EROSION CONTROL				\$0		\$0		\$8,052		\$8,052



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		NET AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

G. FRANCHISE UTILITIES

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
STREET LIGHTS	EA	\$1,700.00	24	\$40,800	3	\$5,100	6	\$10,200	33	\$56,100
TOTAL FRANCHISE UTILITIES				\$40,800		\$5,100		\$10,200		\$56,100

H. MISCELLANEOUS & OTHER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CITY REVIEW FEES	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TOTAL MISCELLANEOUS & OTHER				\$5,000		\$5,000		\$5,000		\$15,000



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

SUMMARY - MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA	MAJOR IMPROVEMENTS				TOTAL
A.1 CLEARING & EXCAVATION - LEGACY DRIVE	\$76,505	\$0	\$0	\$0	\$76,505
A.2 CLEARING & EXCAVATION - COIT	\$0	\$0	\$0	\$0	\$0
B.1 WATER - LEGACY DRIVE	\$166,187	\$0	\$0	\$0	\$166,187
B.2 WATER - PRESTON ROAD	\$94,665	\$0	\$0	\$0	\$94,665
B.3 WATER - COIT ROAD	\$0	\$0	\$0	\$0	\$0
C.1 SEWER - LEGACY DRIVE	\$0	\$0	\$0	\$0	\$0
C.2 SEWER - PRESTON ROAD	\$1,748,283	\$0	\$0	\$0	\$1,748,283
C.3 SEWER - COIT ROAD	\$0	\$0	\$0	\$0	\$0
D.1 STORM SEWER - LEGACY DRIVE	\$500,655	\$0	\$0	\$0	\$500,655
D.2 STORM SEWER - COIT ROAD	\$0	\$0	\$0	\$0	\$0
E.1 PAVEMENT - LEGACY DRIVE	\$759,511	\$0	\$0	\$0	\$759,511
E.2A PAVEMENT - COIT ROAD (90' ROW)	\$0	\$0	\$0	\$0	\$0
F. EROSION CONTROL	\$50,070	\$0	\$0	\$0	\$50,070
G. FRANCHISE UTILITIES	\$40,800	\$0	\$0	\$0	\$40,800
H. MISCELLANEOUS & OTHER	\$5,000	\$0	\$0	\$0	\$5,000
SUB-TOTAL	\$3,441,676	\$0	\$0	\$0	\$3,441,676
SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING (7%)	\$240,917	\$0	\$0	\$0	\$240,917
ROADWAY IMPACT FEES (4.233*#LOTS*694)	\$0	\$0	\$0	\$0	\$0
WATER IMPACT FEES (\$3,276/LOT) (BUILDER)	\$0	\$0	\$0	\$0	\$0
WASTEWATER IMPACT FEES (\$4,631/LOT) (BUILDER)	\$0	\$0	\$0	\$0	\$0
PARK AND OPEN SPACE FEE (\$1500/LOT)	\$0	\$0	\$0	\$0	\$0
DISTRICT FORMATION COSTS	\$355,942	\$0	\$0	\$0	\$355,942
SUB-TOTAL	\$4,038,535	\$0	\$0	\$0	\$4,038,535
MISCELLANEOUS & CONTINGENCY (10%)	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$4,038,535	\$0	\$0	\$0	\$4,038,535

		PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT PRIVATE IMPROVEMENTS - CITY OF CELINA FEBRUARY 7, 2018								
						1	2	3	TOTAL	
PROJECT NAME:	The Chalk Hill - Private Improvements	CREATED BY:	JMC			NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM			GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:				PRIVATE AREA AC.	0.0	0.0	0.0	0.0

A. CLEARING & EXCAVATION										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	24.2	\$60,575	23.5	\$58,750	20.9	\$52,250	68.6	\$171,575
CONSTRUCTION ENTRANCE	EA	\$2,000.00	1	\$2,000	1	\$2,000	1	\$2,000	3.0	\$6,000
LOT / BLOCK EXCAVATION	CY	\$2.35	97,743	\$229,696	80,000	\$188,000	70,000	\$164,500	247,743.0	\$582,196
IMPORT	CY	\$8.00	17,316	\$138,528	9,000	\$72,000	15,000	\$120,000	41,316.0	\$330,528
OPEN SPACE FINAL GRADING	LS	\$7,000.00	1	\$7,000	0	\$0	0	\$0	1.0	\$7,000
ROUGH LOT GRADING	EA	\$200.00	157	\$31,400	145	\$29,000	138	\$27,600	440.0	\$88,000
FINAL LOT GRADING	EA	\$140.00	157	\$21,980	145	\$20,300	138	\$19,320	440.0	\$61,600
MOISTURE CONDITIONED PADS	LOT	\$1,500.00	157	\$235,500	145	\$217,500	138	\$207,000	440.0	\$660,000
TOTAL CLEARING & EXCAVATION			\$726,679		\$587,550		\$592,670		\$1,906,899	

B. RETAINING WALLS										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
RETAINING WALL (0'-4' DEPTH)	SY	\$10.00	7,300	\$73,000	5,000	\$50,000	4,000	\$40,000	16,300.0	\$163,000
RETAINING WALL (4'+ DEPTH)	SY	\$10.00	17,200	\$172,000	1,000	\$10,000	2,000	\$20,000	20,200.0	\$202,000
TOTAL RETAINING WALLS			\$245,000		\$60,000		\$60,000		\$365,000	



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
PRIVATE IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	The Chalk Hill - Private Improvements	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		PRIVATE AREA AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

C. EROSION CONTROL

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
SWPPP	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3.0	\$15,000
SILT FENCE (PERIMETER & CREEK PROTECTION)	LF	\$1.50	5,420	\$8,130	5,805	\$8,708	2,951	\$4,427	14,176.0	\$21,264
ROCK CHECK DAM	EA	\$1,500.00	1	\$1,500	0	\$0	0	\$0	1.0	\$1,500
SEEDING	AC	\$300.00	4	\$1,200	0	\$0	2	\$600	6.0	\$1,800
EROSION CONTROL INSPECTION & MAINTENANCE	LOT	\$150.00	157	\$23,550	145	\$21,750	138	\$20,700	440.0	\$66,000
TOTAL EROSION CONTROL				\$39,380		\$35,458		\$30,727		\$105,564

D. AMENITIES, LANDSCAPE, & SCREENING

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
ENTRY OPEN SPACE AND AMENITY CENTER										
BRICK & STONE ENTRYWAY W/ CAST STONE SIGN	EA	\$50,000.00	1	\$50,000.00	0	\$0.00	0	\$0.00	1	\$50,000.00
SCREENING & BUFFERING ALONG ARTERIALS	LF	\$110.00	1,225	\$134,750.00	1,200	\$132,000.00	2,700	\$297,000.00	5125	\$563,750.00
LANDSCAPING ALONG ARTERIALS	LF	\$40.00	1,225	\$49,000.00	1,200	\$48,000.00	2,700	\$108,000.00	5125	\$205,000.00
1" SINGLE OPEN SPACE WATER SERVICE	EA	\$800.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
6" OPEN SPACE SEWER SERVICE	EA	\$800.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
1" SINGLE IRRIGATION SERVICE	EA	\$800.00	3	\$2,400.00	1	\$800.00	3	\$2,400.00	7	\$5,600.00
2" SINGLE IRRIGATION SERVICE	EA	\$1,500.00	1	\$1,500.00	1	\$1,500.00	1	\$1,500.00	3	\$4,500.00
TOTAL FRANCHISE UTILITIES			\$237,650		\$182,300		\$408,900		\$828,850	



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
PRIVATE IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	The Chalk Hill - Private Improvements	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		PRIVATE AREA AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

E. MISCELLANEOUS & OTHER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
MISCELLANEOUS CITY FEES	LS	\$5,000.00	1	\$5,000.00	1	\$5,000.00	1	\$5,000.00	3	\$15,000.00
GEOTECH TESTING	EA	\$220.00	157.00	\$34,540	145.00	\$31,900	138.00	\$30,360		\$96,800
TOTAL MISCELLANEOUS & OTHER				\$39,540		\$36,900		\$35,360		\$111,800

SUMMARY - PRIVATE IMPROVEMENTS - CITY OF CELINA	1	2	3	TOTAL
A. CLEARING & EXCAVATION	\$726,679	\$587,550	\$592,670	\$1,906,899
B. RETAINING WALLS	\$245,000	\$60,000	\$60,000	\$365,000
C. EROSION CONTROL	\$39,380	\$35,458	\$30,727	\$105,564
D. AMENITIES, LANDSCAPE, & SCREENING	\$237,650	\$182,300	\$408,900	\$828,850
E. MISCELLANEOUS & OTHER	\$39,540	\$36,900	\$35,360	\$111,800
SUB-TOTAL	\$1,288,249	\$902,208	\$1,127,657	\$3,318,113
SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING (7%)	\$90,177	\$63,155	\$78,936	\$232,268
ROADWAY IMPACT FEES (4.233*#LOTS*694)	\$0	\$0	\$0	\$0
WATER IMPACT FEES (\$3,276/LOT) (BUILDER)	\$0	\$0	\$0	\$0
WASTEWATER IMPACT FEES (\$4,631/LOT) (BUILDER)	\$0	\$0	\$0	\$0
PARK AND OPEN SPACE FEE (\$1500/LOT)	\$0	\$0	\$0	\$0
SUB-TOTAL	\$1,378,426	\$965,362	\$1,206,592	\$3,550,381
MISCELLANEOUS & CONTINGENCY (10%)	\$0	\$90,221	\$112,766	\$202,986
TOTAL COST	\$1,378,426	\$1,055,583	\$1,319,358	\$3,753,367



PHASE COST SUMMARY

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CITY OF CELINA
FEBRUARY 7, 2018

PHASED TOTAL SUMMARY				
COST TYPE	PHASE 1	PHASE 2	PHASE 3	TOTAL
DIRECT PUBLIC	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675
MASTER PUBLIC	\$4,038,535	\$0	\$0	\$4,038,535
PRIVATE	\$1,378,426	\$1,055,583	\$1,319,358	\$3,753,367
TOTAL	\$8,299,203	\$5,150,950	\$4,924,424	\$18,374,577
LOTS:	157	146	138	441
COST PER LOT:	\$52,861	\$35,280	\$35,684	\$41,666

- 1) This estimate is based on the attached concept plan.
- 2) Earthwork quantities do not include costs for rock excavation. A Geotech should be consulted regarding the treatment of cultivated soil and its use on the project.
- 3) Sidewalks adjacent to residential lots are excluded from above costs. Sidewalks are assumed to be constructed by the home builders, except where adjacent to park dedication, collectors, thoroughfare, or open space. ADA ramps are required to be built by the Developer.
- 4) All fees need to be verified by the City of Celina at the time of construction & permitting.
- 5) Turn lanes and deceleration lanes are not included in this cost estimate.
- 6) Construction timing of improvements are assumed to run concurrent with adjacent off-site master infrastructure improvements,.
- Jurisdictional Water of the U.S. permitting is not included in this estimate.
- 8) It is assumed that no additional offsite easements will need to be acquired for the proposed utilities.
- 9) All earthwork numbers are contained to the limits of the ROW. Onsite earthwork numbers have been seperated to the ROW and lots only.

Appendix C

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS



EXHIBIT C

CHALK HILL CONCEPT PLAN

CELINA, TEXAS

SHEET:
V1.1

6/15/17 CEN15001

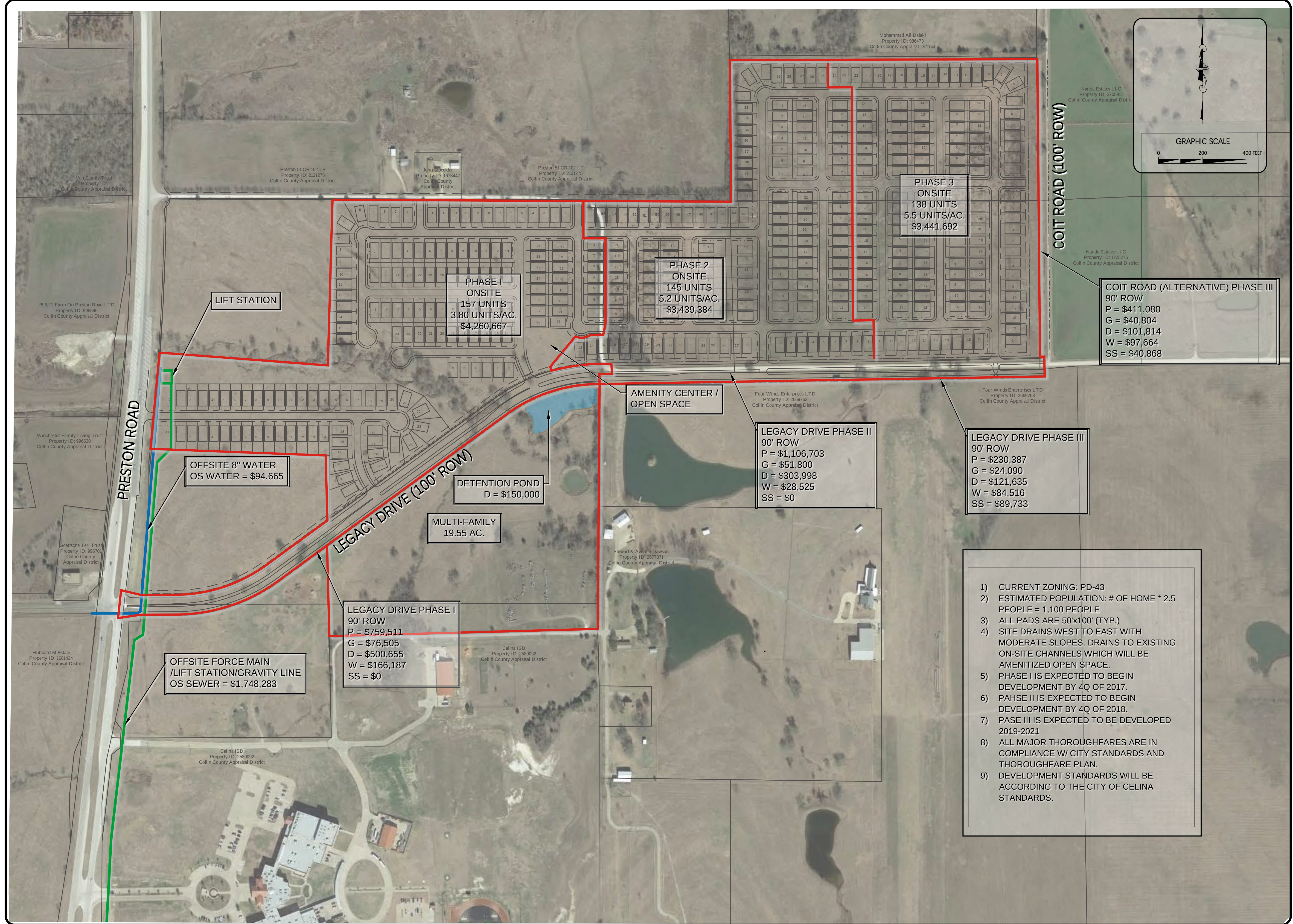




EXHIBIT D

CHALK HILL CONCEPT PLAN

CELINA, TEXAS



Appendix D

ASSESSMENT ROLL –Phases #2-3 Major Improvement Assessed Property

Appendix D
Phase #2 - 3 Major Improvement Assessment Roll

Parcel	All Parcels
Assessment	\$3,690,000
Total Estimated Units	284

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment³
1	\$0	\$258,300	\$25,000	\$283,300
2	\$0	\$258,300	\$25,500	\$283,800
3	\$55,000	\$258,300	\$26,010	\$339,310
4	\$55,000	\$254,450	\$26,530	\$335,980
5	\$60,000	\$250,600	\$27,061	\$337,661
6	\$65,000	\$246,400	\$27,602	\$339,002
7	\$70,000	\$241,850	\$28,154	\$340,004
8	\$70,000	\$236,950	\$28,717	\$335,667
9	\$75,000	\$232,050	\$29,291	\$336,341
10	\$80,000	\$226,800	\$29,877	\$336,677
11	\$85,000	\$221,200	\$30,475	\$336,675
12	\$90,000	\$215,250	\$31,084	\$336,334
13	\$95,000	\$208,950	\$31,706	\$335,656
14	\$100,000	\$202,300	\$32,340	\$334,640
15	\$110,000	\$195,300	\$32,987	\$338,287
16	\$115,000	\$187,600	\$33,647	\$336,247
17	\$120,000	\$179,550	\$34,320	\$333,870
18	\$130,000	\$171,150	\$35,006	\$336,156
19	\$135,000	\$162,050	\$35,706	\$332,756
20	\$145,000	\$152,600	\$36,420	\$334,020
21	\$155,000	\$142,450	\$37,149	\$334,599
22	\$165,000	\$131,600	\$37,892	\$334,492
23	\$175,000	\$120,050	\$38,649	\$333,699
24	\$185,000	\$107,800	\$39,422	\$332,222
25	\$195,000	\$94,850	\$40,211	\$330,061
26	\$205,000	\$81,200	\$41,015	\$327,215
27	\$220,000	\$66,850	\$41,835	\$328,685
28	\$230,000	\$51,450	\$42,672	\$324,122
29	\$245,000	\$35,350	\$43,526	\$323,876
30	\$260,000	\$18,200	\$44,396	\$322,596
Total	\$3,690,000	\$5,209,750	\$1,014,202	\$9,913,952

1 - The principal and interest amounts are estimated using 6% 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.

3 - Amounts shown do not include any TIRZ Credit.

Attachment: Chalk Hill PID No. 2 Phase 1 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phase 1))

Projected Annual Installment per Lot

Lot Type	50 Ft
Assessment	\$12,993
Equivalent Units	1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment³
1	\$0	\$910	\$88	\$998
2	\$0	\$910	\$90	\$999
3	\$194	\$910	\$92	\$1,195
4	\$194	\$896	\$93	\$1,183
5	\$211	\$882	\$95	\$1,189
6	\$229	\$868	\$97	\$1,194
7	\$246	\$852	\$99	\$1,197
8	\$246	\$834	\$101	\$1,182
9	\$264	\$817	\$103	\$1,184
10	\$282	\$799	\$105	\$1,185
11	\$299	\$779	\$107	\$1,185
12	\$317	\$758	\$109	\$1,184
13	\$335	\$736	\$112	\$1,182
14	\$352	\$712	\$114	\$1,178
15	\$387	\$688	\$116	\$1,191
16	\$405	\$661	\$118	\$1,184
17	\$423	\$632	\$121	\$1,176
18	\$458	\$603	\$123	\$1,184
19	\$475	\$571	\$126	\$1,172
20	\$511	\$537	\$128	\$1,176
21	\$546	\$502	\$131	\$1,178
22	\$581	\$463	\$133	\$1,178
23	\$616	\$423	\$136	\$1,175
24	\$651	\$380	\$139	\$1,170
25	\$687	\$334	\$142	\$1,162
26	\$722	\$286	\$144	\$1,152
27	\$775	\$235	\$147	\$1,157
28	\$810	\$181	\$150	\$1,141
29	\$863	\$124	\$153	\$1,140
30	\$915	\$64	\$156	\$1,136
Total	\$12,993	\$18,344	\$3,571	\$34,908

1 - The principal and interest amounts are estimated using 6% 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.

3 - Amounts shown do not include any TIRZ Credit.

Appendix E

ASSESSMENT ROLL – Phase #1 Assessed Property

Appendix E

Phase #1 Assessment Roll

Parcel
Assessment
Total Estimated Units

All Parcels
 \$4,325,000
 157

Year	Principal ¹	Interest ¹	Administrative Expenses ³	Total Annual Installment ⁴
1	\$0	\$291,938	\$30,000	\$321,938
2	\$0	\$291,938	\$30,600	\$322,538
3	\$65,000	\$291,938	\$31,212	\$388,150
4	\$65,000	\$287,550	\$31,836	\$384,386
5	\$70,000	\$283,163	\$32,473	\$385,635
6	\$75,000	\$278,438	\$33,122	\$386,560
7	\$80,000	\$273,375	\$33,785	\$387,160
8	\$85,000	\$267,975	\$34,461	\$387,436
9	\$90,000	\$262,238	\$35,150	\$387,387
10	\$95,000	\$256,163	\$35,853	\$387,015
11	\$100,000	\$249,750	\$36,570	\$386,320
12	\$105,000	\$243,000	\$37,301	\$385,301
13	\$115,000	\$235,913	\$38,047	\$388,960
14	\$120,000	\$228,150	\$38,808	\$386,958
15	\$125,000	\$220,050	\$39,584	\$384,634
16	\$135,000	\$211,613	\$40,376	\$386,989
17	\$145,000	\$202,500	\$41,184	\$388,684
18	\$150,000	\$192,713	\$42,007	\$384,720
19	\$160,000	\$182,588	\$42,847	\$385,435
20	\$170,000	\$171,788	\$43,704	\$385,492
21	\$180,000	\$160,313	\$44,578	\$384,891
22	\$190,000	\$148,163	\$45,470	\$383,632
23	\$200,000	\$135,338	\$46,379	\$381,717
24	\$215,000	\$121,838	\$47,307	\$384,144
25	\$225,000	\$107,325	\$48,253	\$380,578
26	\$240,000	\$92,138	\$49,218	\$381,356
27	\$255,000	\$75,938	\$50,203	\$381,140
28	\$270,000	\$58,725	\$51,207	\$379,932
29	\$285,000	\$40,500	\$52,231	\$377,731
30	\$315,000	\$21,263	\$53,275	\$389,538
Total	\$4,325,000	\$5,884,313	\$1,217,042	\$11,426,355

1 - The principal and interest amounts are estimated using 6.25% 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.

3- Amounts shown do not include any TIRZ Credit.

Attachment: Chalk Hill PID No. 2 Phase 1 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phase 1))

Projected Annual Installment per Lot

Lot Type	50 Ft
Assessment	\$27,548
Equivalent Units	1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment³
1	\$0	\$1,859	\$191	\$2,051
2	\$0	\$1,859	\$195	\$2,054
3	\$414	\$1,859	\$199	\$2,472
4	\$414	\$1,832	\$203	\$2,448
5	\$446	\$1,804	\$207	\$2,456
6	\$478	\$1,773	\$211	\$2,462
7	\$510	\$1,741	\$215	\$2,466
8	\$541	\$1,707	\$219	\$2,468
9	\$573	\$1,670	\$224	\$2,467
10	\$605	\$1,632	\$228	\$2,465
11	\$637	\$1,591	\$233	\$2,461
12	\$669	\$1,548	\$238	\$2,454
13	\$732	\$1,503	\$242	\$2,477
14	\$764	\$1,453	\$247	\$2,465
15	\$796	\$1,402	\$252	\$2,450
16	\$860	\$1,348	\$257	\$2,465
17	\$924	\$1,290	\$262	\$2,476
18	\$955	\$1,227	\$268	\$2,450
19	\$1,019	\$1,163	\$273	\$2,455
20	\$1,083	\$1,094	\$278	\$2,455
21	\$1,146	\$1,021	\$284	\$2,452
22	\$1,210	\$944	\$290	\$2,444
23	\$1,274	\$862	\$295	\$2,431
24	\$1,369	\$776	\$301	\$2,447
25	\$1,433	\$684	\$307	\$2,424
26	\$1,529	\$587	\$313	\$2,429
27	\$1,624	\$484	\$320	\$2,428
28	\$1,720	\$374	\$326	\$2,420
29	\$1,815	\$258	\$333	\$2,406
30	\$2,006	\$135	\$339	\$2,481
Total	\$27,548	\$37,480	\$7,752	\$72,779

1 - The principal and interest amounts are estimated using 6.25% 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.

3- Amounts shown do not include any TIRZ Credit.

Attachment: Chalk Hill PID No. 2 Phase 1 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phase 1))



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: March 23, 2018
Re: Chalk Hill Bond Ordinance (Phase 1)

Action Requested:

Consider and act upon an ordinance of the City Council of the City of Celina, Texas, approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phase #1 Project) and approving and authorizing related agreements. (Chalk Hill Ph 1 PID Bonds) (DeBuff)

Background Information:

This ordinance approves the issuance of revenue bonds for Chalk Hill Public Improvement District No 2, Phase #1.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This ordinance has been reviewed by the city attorney.

Supporting Documents:

- Proposed ordinance

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE #1 PROJECT); APPROVING AND AUTHORIZING RELATED AGREEMENTS, AND PROVIDING FOR AN EFFECTIVE DATE.

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 "Chalk Hill Public Improvement District No. 2" (the "District"), pursuant to Resolution No. 2017-212R adopted by the City Council of the City (the "City Council") on December 12, 2017; and

WHEREAS, pursuant to the PID Act, the City Council published notice of and opened a public hearing on February 13, 2018 and recessed that public hearing until March 23, 2018 at which time the City Council continued the public hearing regarding the levy of special 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. _____ (the "Phase #1 Assessment Ordinance") on March 23, 2018; and

WHEREAS, in the Phase #1 Assessment Ordinance, the City Council approved and accepted the Chalk Hill Public Improvement District No. 2 Service and Assessment Plan, dated March 23, 2018 (the "Service and Assessment Plan") relating to the District and levied the "Phase #1 Assessments" (as defined in the Phase #1 Assessment Ordinance, the "Assessments") 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, the "Assessment Roll"). 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 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 (Chalk Hill Public Improvement District No. 2 Phase #1 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), (v) approve the form, terms and provisions of a Continuing Disclosure Agreement (defined below), (vi) approve the form, terms and provisions of a Landowner Agreement (defined below), (vii) approve the form, terms and provisions of a CFA Agreement (defined below), and (viii) approve the form, terms and provisions of a Redemption 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, as defined in the Indenture, (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 April 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. 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), CADG Celina 156, LLC, a Texas limited liability company (the "Developer") 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 City Manager, Mayor and Mayor Pro Tem 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 Agreement. That certain Landowner Agreement (the "Landowner Agreement"), between the City and the entity defined in the Landowner Agreement as the "Landowner" is hereby authorized and approved in substantially the form attached hereto as **Exhibit D** which is incorporated herein as a part hereof for all purposes and the Mayor or Mayor Pro Tem is each hereby authorized and directed to execute and deliver such Landowner Agreement with such changes as may be required to carry out the purposes of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 6. CFA Agreement. That certain agreement titled Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding, and Acquisition Agreement (the "CFA Agreement") between the City and the Developer is hereby authorized and approved in substantially the form attached hereto as **Exhibit E** which is incorporated herein as a part hereof for all purposes and the Mayor or Mayor Pro Tem is hereby authorized and directed to execute and deliver such CFA Agreement with such changes as may be

required to carry out the purpose of this Ordinance and then as approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof. The Mayor's or Mayor Pro Tem's signature on the CFA Agreement may be attested by the City Secretary.

SECTION 7. Redemption Agreement. That certain agreement titled CADG Celina 156, LLC Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Chalk Hill Public Improvement District No. 2 (the "Redemption Agreement") between the City and the Developer is hereby authorized and approved substantially in the form attached hereto as **Exhibit F** which is incorporated herein as a part hereof for all purposes and the Mayor or Mayor Pro Tem 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 then as approved by the Mayor or Mayor Pro Tem, such approved to be evidenced by the execution thereof. The Mayor's or Mayor Pro Tem's signature on the Redemption Agreement may be attested by the City Secretary.

SECTION 8. 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 Authorized Improvements.

SECTION 9. 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 10. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 11. 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 12. 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 13. 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 14. Effective Date. This Ordinance shall take effect and be in force immediately from and after its adoption on the date shown below in accordance with Texas Government Code, Section 1201.028, as amended.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED, this _____.

CITY OF CELINA, TEXAS

Mayor Pro Tem

ATTEST:

City Secretary

(City Seal)

EXHIBIT A
INDENTURE OF TRUST

Attachment: Celina - Chalk Hill PID No. 2 Phase #1 - Bond Ordinance WITH EXHIBITS (3-19 update) (Chalk Hill Bond Ordinance (Phase 1))

INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED AS OF APRIL 1, 2018

SECURING

\$4,325,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2
PHASE #1 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of April 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 in the city limits of the City to be known as the Chalk Hill Public Improvement District No. 2 (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 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 December 12, 2017, 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 December 12, 2017, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2017-212R 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 December 15, 2017, 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 December 12, 2017; and

WHEREAS, on December 12, 2017 the City Council by Resolution No. 2017-214R 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 February 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 February 13, 2018 hearing; and

WHEREAS, on December 22, 2017, 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 "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 opened the hearing on February 13, 2018, and continued the hearing to March 23, 2018; and

WHEREAS, the City Council convened the hearing on March 23, 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 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 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 March 23, 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 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 (Chalk Hill Public Improvement District No. 2 Phase #1 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 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.

"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 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 Collection Costs" 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.

"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 Assessment as shown on the Assessment Roll attached to the Service and Assessment Plan as Appendix E and related to the Bonds and the Phase #1 Improvements, (ii) administrative expenses, (iii) the additional per annum interest payment equivalent to .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 #1 of the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

"Assessment Ordinance" means Ordinance No. _____ adopted by the City Council on March 23, 2018, that levied the Assessments on the 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 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 Appendix 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 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.

"Assessments" means the aggregate assessments shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

"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 Appendix B of the Service and Assessment Plan, for which 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 Ordinance" means Ordinance No. _____ adopted by the City Council on March 23, 2018 authorizing the issuance of the Bonds pursuant to this Indenture.

"Bond Pledged Revenue Account" means the Account of such name established pursuant to Section 6.1.

"Bond Year" means the one-year period beginning on September 1 in each year and ending on August 31 in the following year.

"Bonds" means the City's bonds authorized to be issued by Section 3.1(a) of this Indenture entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 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.

"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 "Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding, and Acquisition Agreement" dated as of March 23, 2018, between the City and the Developer associated with the Bonds, which relates to the levying and collection of Assessments, the construction of the Phase #1 Improvements, the maintenance of the Phase #1 Improvements, the issuance of bonds and other matters related thereto.

"Costs" means the costs of the Authorized Improvements, including the Phase #1 Improvements.

"Costs of Issuance Account" means the Account of such name established pursuant to Section 6.1.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

"Delinquent Collection Costs" means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of a delinquent Assessment, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located in St. Paul, Minnesota, or such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Developer" means CADG Celina 156, LLC, a Texas limited liability company (including its successors and assigns).

"Development Agreement" means the "Development Agreement, Chalk Hill Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement by and between the City and the Developer effective, October 13, 2017 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.

"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 Assessed Parcel or Assessed Parcels, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"Fund" means any of the funds established pursuant to Section 6.1 of this Indenture.

"Indenture" means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

"Independent Financial Consultant" means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

"Initial Bond" means the Initial Bond as set forth in Exhibit A to this Indenture.

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing September 1, 2018.

"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 CADG Celina 156, LLC, a Texas limited liability company (including its successors and assigns).

"Phase #1" means the initial phase to be developed within the District and further identified and described in the Service and Assessment Plan.

"Phase #1 Improvements" means the Authorized Improvements which will benefit 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.

"Phases #2 – 3" means the phases to be developed within the District subsequent to Phase #1 and further identified and depicted in Appendix C of the Service and Assessment Plan or in any Annual Service Plan Update.

"Phase #2 - 3 Assessed Parcel" means each respective parcel of land located within Phases #2 - 3 of the District against which an Assessment is levied in accordance with the assessment roll relating to Phases #2 – 3 attached as Appendix D to the Service and Assessment Plan.

"Phases #2 – 3 Major Improvement Bond Indenture" means the Indenture of Trust dated as of April 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 (Chalk Hill Public Improvement District No. 2 Phases #2 – 3 Major Improvement Project)".

"Phases #2 – 3 Major Improvement Bonds Project Fund" means the project fund established under Section 6.1 of the Phases #2 – 3 Major Improvement Bond Indenture for payment of the Costs of Major Improvements allocable to Phases #2 – 3.

"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 (but 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 Annual Collection Costs and (b) Foreclosure Proceeds, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds.

"Prepayment" means the payment of all or a portion of an 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 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 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 Fund 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 Fund 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 Fund 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 Fund Requirement.

“Service and Assessment Plan” means the document, including the Assessment Roll, as amended, including any annual updates thereto 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 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 \$4,325,000 for the purpose of (i) paying a portion of the 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 of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated April 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 September 1, 2018 computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest as set forth below:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
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(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Construction Funding Agreement;
- (d) a copy of this Indenture executed by the Trustee and the City; and

(e) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

(a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 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:

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>
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Term Bonds Maturing September 1, 20

<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 Interest Payment 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(d), 6.3(e), 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) 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) Prepayment and Delinquency Reserve Account;

(iii) The following Accounts are hereby created and established under the Project Fund:

- (A) Phase #1 Improvement Account;
- (B) Major Improvement Account;
- (C) Developer Improvement Account; and
- (D) 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 Accounts are hereby created and established under the Administrative Fund:

- (A) Developer Property Tax Account; and
- (B) 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 Major Improvement Account of the Project Fund: \$_____.

(b) Funds received from the Developer on the Closing Date in the amount of \$_____ shall be deposited into the Developer Improvement Account of the Project Fund.

(c) Funds received from the Developer on the Closing Date in the amount of \$_____ shall be deposited into 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 with the year 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 Fund 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 Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

(g) Any Assessments remaining after satisfying the foregoing payments may be used for any lawful purpose for which Assessments may be used under the PID Act.

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. 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 Phase #1 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 Phase #1 Improvement Account of the Project Fund or the 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 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 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 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 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.

(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 #1 Improvements have been completed and that all Costs of the Phase #1 Improvements have been paid, or that any such Costs are not required to be paid from the Phase #1 Improvement Account of the Project Fund or the 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, (ii) shall transfer any remaining amount in the Developer Improvement Account of the Project Fund to the Developer, and (iii) the Project Fund shall be closed.

(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 Fund 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 Fund 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 Annual Collection Costs 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 _____ 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 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 the Annual Collection Costs 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 Administrative 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 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 Assessment Ordinance, it has levied the 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 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 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 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, 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 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 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 Annual Collection Costs) 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 Annual Collection Costs. 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 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 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 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 Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 12.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances,

transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations or Other Liens.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

(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 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; 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.

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
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402
Attn: Bond Operations

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.

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IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF CELINA, TEXAS

By: _____,
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 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
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE #1 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 September 1, 2018, 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 April 1, 2018 and issued in the aggregate principal amount of \$4,325,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of April 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 #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.

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 \$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 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>
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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>
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* Stated Maturity.

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select for redemption 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 Interest Payment 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.

Redemption DateRedemption Price

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 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 §
§
THE STATE OF TEXAS §

REGISTER NO. _____

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
Dallas, Texas, as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be

guaranteed in a manner acceptable to the Trustee.

Authorized Signatory

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
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(Information to be inserted from Section 3.2(c) hereof); and

(iii) the Initial Bond shall be numbered T-1.

EXHIBIT B
BOND PURCHASE AGREEMENT

Attachment: Celina - Chalk Hill PID No. 2 Phase #1 - Bond Ordinance WITH EXHIBITS (3-19 update) (Chalk Hill Bond Ordinance (Phase 1))

\$(PAR AMOUNT)
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE #1 PROJECT)

BOND PURCHASE AGREEMENT

March 23, 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 \$(PAR AMOUNT) aggregate principal amount of the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 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 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 April 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 April 12, 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 March 23, 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 April 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 Chalk Hill Public Improvement District No. 2 (the “District”). The District was established by Resolution No. 2017-212R (the “Creation Resolution”), enacted by the City Council on December 12, 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 pursuant to an ordinance of the City Council adopted on March 23, 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 #1 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 #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 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 March 16, 2018, as updated March 19, 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 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 “CONTINUING DISCLOSURE – 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 “Development Agreement, Chalk Hill Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement” relating to the District, effective October 13, 2017, and executed and delivered by the City and the Developer (the “Development Agreement”);

(4) “Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding and Acquisition Agreement”,

effective March 23, 2018, 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 April 1, 2018 (the “City Continuing Disclosure Agreement”), executed and delivered by the City and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc., as Dissemination Agent;

(6) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation with respect to Phase #1 of the District executed by the City, the Developer and the Trustee, dated as of March 23, 2018 (the “Redemption Waiver Agreement”); and

(7) the Landowner Agreement dated as of March 23, 2018 executed by the City and the Developer (the “Landowner Agreement”);

(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 Agreement, (6) the City Continuing Disclosure Agreement, (7) the Limited Offering Memorandum, (8) the Redemption Waiver Agreement, and (9) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (10) 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 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 “CONTINUING DISCLOSURE – The Developer,” and “INFORMATION RELATING TO THE TRUSTEE.”

(k) Limited Offering Memorandum. At the time of the City’s acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the 25th day subsequent to the “end of the underwriting period,” the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of DTC, or its book-entry-only system, and (ii) the City makes no representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE — Development Plan and 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 “CONTINUING DISCLOSURE – 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 Law, 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 Landowner Agreement, the Redemption Waiver Agreement and the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of April 1, 2018 (the “Continuing Disclosure Agreement of the Developer,” and together with the Developer Letter of Representations, the Development Agreement, the CFA Agreement, the Redemption Waiver Agreement and the Landowner Agreement, the “Developer Documents”), executed and delivered by the Developer and MuniCap, Inc. as dissemination agent and PID Administrator; 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 Phases #2-3 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 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvement 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 Agreement, the City Continuing Disclosure Agreement, the Redemption Waiver 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 March 11, 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, Landowner Agreement, and Redemption Waiver Agreement. 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 #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, (iii) the Landowner Agreement and (iv) the Redemption Waiver Agreement have been filed of record in the real property records of Collin County, Texas.

(r) Lender Consent Certificate. Lender Consent Certificate of Chambers Bank and any other lienholder on land in Phase #1 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 #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.

(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 any retail distribution agreement, if applicable, 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 retail distribution agreement, as applicable, to (i) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. 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 retail 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 retail 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 retail 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) 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 806.051, 807.051, 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

\$[PAR AMOUNT]
 CITY OF CELINA, TEXAS
 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
 (CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE #1 PROJECT)

Interest Accrues From: April 1, 2018

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____ %^{(a), (c)}

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____ %^{(a), b), (c)}

- (a) The initial prices or yields of the Bonds are furnished by the Underwriter, have been determined in accordance with the 10% test, and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any Interest Payment Date on or after September 1, 20__, at the redemption prices 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 Term Bonds are subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installments as set forth in the following schedule.

\$ _____ Term Bonds Maturing September 1, 20__

Redemption Date

**Sinking Fund
Installment**

September 1, 20__
 September 1, 20__
 September 1, 20__
 September 1, 20__
 September 1, 20__
 September 1, 20__
 September 1, 20__
 September 1, 20__
 September 1, 20__

\$ _____ Term Bonds Maturing September 1, 20__

Redemption Date

**Sinking Fund
Installment**

September 1, 20__
 September 1, 20__
 September 1, 20__
 September 1, 20__
 September 1, 20__
 September 1, 20__
 September 1, 20__

September 1, 20__

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

\$(PAR AMOUNT)
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE #1 Project)

DEVELOPER LETTER OF REPRESENTATIONS

March 16, 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 \$(PAR AMOUNT) “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 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, CADG Celina 156, 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 Development Agreement, Chalk Hill Public Improvement District No. 2 Agreement and Tax Increment Reinvestment Zone Agreement between the Developer and the City, effective October 13, 2017;
- (c) that certain Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding and Acquisition Agreement, effective March 23, 2018, and executed and delivered by the City and the Developer;
- (d) that certain Landowner Agreement dated as of March 23, 2018, executed and delivered by the City and the Developer;
- (e) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation with respect to Phase #1 of the District executed by the

City, the Developer and the Trustee, dated as of March 23, 2018 (the “Redemption Waiver Agreement”); and

(f) that certain Continuing Disclosure Agreement of the Developer, dated as of April 1, 2018 made by and among the Developer and MuniCap, Inc., as dissemination agent and 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 and Plan of Finance,” “THE PHASE #1 IMPROVEMENTS” “THE DEVELOPMENT,” “THE DEVELOPER” and “CONTINUING DISCLOSURE — 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 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), “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE — The Developer”, 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.

[Signatures to Follow]

CADG Celina 156, 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

APPENDIX B

\$[PAR AMOUNT] CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 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, 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 March 23, 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: _____

Dated: _____, 2018

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)

APPENDIX C

[LETTERHEAD OF MESSER, ROCKEFELLER & FORT]

April 12, 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 75201

\$[PAR AMOUNT]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 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 \$[PAR AMOUNT] “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 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 March 23, 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 April 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. 2017-212R (the “Creation Resolution”), enacted by the City Council on December 12, 2017.

(b) The Ordinance No. _____, adopted by the City Council on March 23, 2018 (the “Assessment Ordinance”).

(c) The Bond Ordinance.

(d) The Indenture.

(e) That certain Development Agreement, Chalk Hill Public Improvement District No. 2 Agreement and Tax Increment Reinvestment Zone Agreement, effective as of October 13, 2017, between the City and the Developer and recorded on January 5, 2018 as document 20180105000023660 in the deed records of Collin County, Texas (the “Development Agreement”).

(f) That certain Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation with respect to Phase #1 of the District executed by the City, the Developer and the Trustee, dated as of March 23, 2018 (the “Redemption Waiver Agreement”).

(g) That certain Continuing Disclosure Agreement of Issuer, dated as of April 1, 2018, executed and delivered by the City, and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc. (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

Packet Pg. 307

cc:
City of Celina
Attn: City Manager
142 N. Ohio Street
Celina, Texas 76201

APPENDIX D

[LETTERHEAD OF MIKLOS LAW]

April 12, 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

\$[PAR AMOUNT]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE #1 PROJECT)

Ladies & Gentlemen:

We have acted as special counsel to CADG Celina 156, LLC, a Texas limited liability company (the “*Developer*”) in connection with the issuance and sale by the City of Celina, Texas (the “*City*”), of \$[PAR AMOUNT] City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phase #1 Project) (the “*Bonds*”), pursuant to the Indenture of Trust dated as of April 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 “Chalk Hill” (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 March 23, 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 *Development Agreement, Chalk Hill Public Improvement District No. 2 Agreement and Tax Increment Reinvestment Zone Agreement*, effective as of October 13, 2017, between the City and the Developer;

(2) *Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding and Acquisition Agreement*, effective March 23, 2018, and executed and delivered by the City and the Developer;

(3) the *Landowner Agreement*, dated as of March 23, 2018, between the City and the Developer;

(4) the *Continuing Disclosure Agreement of Developer* dated as of April 1, 2018 among the Developer, Municap, Inc., as Administrator and Municap Inc., as Dissemination Agent;

(5) the *Developer Letter of Representations* dated as of March 16, 2018;

(6) the *Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation* with respect to Phase #1 of the District executed by the City, the Developer and the Trustee, dated as of March 23, 2018 (the “*Redemption Waiver Agreement*”);

(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 March 16, 2018, as updated March 19, 2018, relating to the issuance of the Bonds (the “*Preliminary Limited Offering Memorandum*”);

(d) The final Limited Offering Memorandum, dated March 23, 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 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), “*LEGAL MATTERS — Litigation — The Developer*,” and “*CONTINUING DISCLOSURE — 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,

Robert Miklos

APPENDIX E

CLOSING CERTIFICATE OF DEVELOPER

CADG Celina 156, 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 \$[PAR AMOUNT] aggregate principal amount of Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phase #1 Project) (the “Bonds”), pursuant to the City’s Preliminary Limited Offering Memorandum, dated March 16, 2018, as updated March 19, 2018, and Limited Offering Memorandum dated March 23, 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 March 16, 2018;

(b) that certain Development Agreement, Chalk Hill Public Improvement District No. 2 Agreement and Tax Increment Reinvestment Zone Agreement relating to the District, effective October 13, 2017, executed and delivered by the City and the Developer;

(c) that certain Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding and Acquisition Agreement, effective March 23, 2018, and executed and delivered by the City and the Developer;

(d) that certain Landowner Agreement dated as of March 23, 2018, executed and delivered by the City and the Developer; and

(e) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation with respect to Phase #1 of the District executed by the City, the Developer and the Trustee, dated as of March 23, 2018;

(f) that certain Continuing Disclosure Agreement of the Developer, dated as of April 1, 2018 made by and among the Developer and MuniCap, Inc., as dissemination agent and 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 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), "LEGAL MATTERS — Litigation — The Developer," and "CONTINUING DISCLOSURE — 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:

CADG Celina 156, 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

APPENDIX F**[LETTERHEAD OF APPRAISER]**

April 12, 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 (Chalk Hill Public Improvement District No. 2 Phase #1 Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, appraiser of (i) the undeveloped property contained in Chalk Hill Public Improvement District No. 2 (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 March 16, 2018, as updated March 19, 2018, and the Limited Offering Memorandum for the Bonds, dated on or about March 23, 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 #1 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 #1 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 April 12, 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]

April 12, 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 (Chalk Hill Public Improvement District No. 2 Phase #1 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 Chalk Hill Public Improvement District No. 2 (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 March 16, 2018, as updated March 19, 2018 (the “Preliminary Limited Offering Memorandum”), and the final Limited Offering Memorandum, dated on or about March 23, 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 caption “ASSESSMENT PROCEDURES — Assessment Methodology” and “— Assessment Amounts,” (b) under the caption “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR – Assessment Consultant” 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 April 12, 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 - Chalk Hill PID No. 2 Phase #1 - Bond Ordinance WITH EXHIBITS (3-19 update) (Chalk Hill Bond Ordinance (Phase 1))

EXHIBIT C**CONTINUING DISCLOSURE AGREEMENT**

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE DEVELOPER

This Continuing Disclosure Agreement of the Developer dated as of April 1, 2018 (this "Disclosure Agreement") is executed and delivered by and between CADG Celina 156, LLC, a Texas limited liability company (the "Developer"), MuniCap Inc. (in such capacity, the "Administrator") and MuniCap Inc. (in such capacity, the "Dissemination Agent") with respect to the "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phase #1 Project)" (the "Bonds"). The Developer, the Administrator and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of April 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. The Issuer has selected MuniCap Inc. as the initial Administrator.

"Affiliate" shall mean an entity that owns property within Phase #1 the District and is controlled by, controls, or is under common control with the Developer or any Subsequent Third Party Owner.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Installment(s)" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee.

"Construction Funding Agreement" has the meaning given to it in the Indenture.

“Developer” shall mean CADG Celina 156, LLC, a Texas limited liability company, including any Affiliate of the Developer, its successors and assigns.

“Development Agreement” has the meaning given to it in the Indenture.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of the Issuer dated as of April 1, 2018 executed and delivered by the Issuer and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as dissemination agent thereunder.

“Dissemination Agent” shall mean MuniCap 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 Chalk Hill Public Improvement District No. 2.

“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.

“Issuer” shall mean the City of Celina, Texas.

“Listed Events” shall mean any of the events listed in Section 4(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 Improvements” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Quarterly Improvement Implementation Report” shall mean any Quarterly Improvement Implementation Report prepared by the Administrator pursuant to, and as described in, Section 3 of this Disclosure Agreement.

“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.

“Subsequent Third Party Owner” shall have the meaning assigned to such term in Section 3(f) of this Disclosure Agreement.

“Trustee” shall mean U.S. Bank National Association, or any successor trustee pursuant to the Indenture.

SECTION 3. Quarterly Improvement Implementation Reports.

(a) The Developer shall provide, or cause to be provided, to the Administrator, at the Developer’s cost and expense, at least five (5) Business Days prior to each March 30, June 30, September 30 and December 30 (beginning June 30, 2018), any information in its knowledge or possession or that will enable the Administrator to complete each Quarterly Improvement Implementation Report containing the information described in this Section 3. The Developer shall provide, or cause to be provided, such information required for the preparation of each Quarterly Improvement Implementation Report during the period from the delivery of the Bonds until such time as the Developer is no longer liable for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installments of Assessments for any year.

(b) The Administrator shall provide to the Issuer and the Dissemination Agent, on or before each March 30, June 30, September 30 and December 30 (beginning June 30, 2018), each Quarterly Improvement Implementation Report containing the information described in this Section 3. The Issuer shall review the information and authorize the Dissemination Agent to provide such information to the MSRB and the Participating Underwriter within fifteen (15) Business Days of the Dissemination Agent’s receipt thereof pursuant to this subsection 3(b).

(c) Such Quarterly Improvement Implementation Report shall include:

(i) Statement from the Developer as to the status of acquisition loans, development loans and any permanent financing with respect to any development undertaken by the Developer in Phase #1 of the District not financed with Bond proceeds, including loan balance, existence of deeds of trust or other similar encumbrances against the property within Phase #1 of the District, existence of any default and remaining term;

(ii) Statement as to available funds to complete development in Phase #1 of the District under construction as contemplated (both Bond financed and non-Bond financed development undertaken by the Developer);

(iii) Status of parcel and/or lot sales from the Developer to any other party by type and average pricing, as well as anticipated future absorption rates;

(iv) A statement as to material changes, if any, in the form, organization or controlling ownership of the Developer;

(v) The status of any governmental approvals (other than customary home building permits required after delivery of a finished lot) required for completion of the Phase #1 Improvements within Phase #1 of the District;

(vi) Any information regarding the Phase #1 Improvements or other information as may be reasonably requested by the Issuer relating to the ability of the

Developer to fulfill its obligations under the Development Agreement and the Construction Funding Agreement;

(vii) Written notification of any zoning or land use entitlement changes or any other matter that would have a material adverse impact on land values within Phase #1 of the District, development potential of lands within Phase #1 of the District or the likelihood of the timely payment of the Assessments levied on land or parcels owned by the Developer; and

(viii) Any changes to the land use designation for the property in Phase #1 of the District that might negatively impact its development for those purposes identified in the final Service and Assessment Plan, as the same may be amended and supplemented from time to time.

(d) Additionally, the Developer shall provide or cause to be provided the following information to the Administrator for inclusion in each Quarterly Improvement Implementation Report:

(i) The number, dollar amount, and property type (e.g., developed lots, undeveloped pads, parcels, raw land) under contract with wholesale purchasers and the name of each such purchaser;

(ii) A listing of any Subsequent Third Party Owners (defined below) liable for least twenty percent (20%) of the Assessments, the amount of the levy of Assessments against such Subsequent Third Party Owner, and the percentage of such Assessments relative to the entire levy of Assessments; and

(iii) For each residential home builder, on a per quarter and running total basis, (A) the number of residential units for which construction has begun, (B) the number of residential units for which construction has been completed, (C) the number of residential units which have been sold to end users and the average sales price therefor and (D) the estimated date of completion for all residential units expected to be constructed in Phase #1 of the District.

(e) With respect to the Phase #1 Improvements, the Developer will establish an accounting and budgeting system and shall provide or cause to be provided the following information to the Administrator for inclusion in each Quarterly Improvement Implementation Report:

(i) Total expected costs for design and engineering to be completed after delivery of the Bonds;

(ii) Total expected construction budget;

(iii) Construction budget allocated to each progress milestone;

(iv) Forecast construction milestones by date;

(v) Forecast completion date; and

(vi) Forecast Issuer acceptance date.

The Developer shall prepare, within ninety (90) days of the issuance of the Bonds, a schedule reflecting the points listed above for each of the Phase #1 Improvements within Phase #1 of the District to be funded by the Bond proceeds. Quarterly progress reports, reflecting the points listed above, will be summarized by the Developer to reflect the progress and conformance with the overall project budget. These quarterly summaries will be filed with the Administrator for assembly into the Quarterly Improvement Implementation Report and delivered to the Issuer and the Dissemination Agent. Budget overruns in excess of \$250,000 per quarter or delays of greater than sixty (60) days will be highlighted and explained and the Developer shall include a plan to remedy the situation. The Developer's filings under this Section 3(e) will terminate after the Issuer accepts the final segment of the Phase #1 Improvements and Developer provides a final summary report covering the period from the date of its last preceding quarterly progress report to the date of Issuer acceptance of the final segment of the Phase #1 Improvements.

(f) If the Developer sells, assigns or otherwise transfers ownership of real property in Phase #1 of the District to a third party, which results in such third party, including any Affiliate of such third party, owning property liable for at least twenty percent (20%) of the total Annual Installments of the Assessments first coming due after such transfer of ownership (a "Subsequent Third Party Owner"), the Developer shall require such Subsequent Third Party Owner to comply with the Developer's disclosure obligations hereunder with respect to such acquired real property, for so long as such Subsequent Third Party Owner is the owner of property liable for at least twenty percent (20%) of the total of Annual Installments of the Assessments next coming due; provided however, a Subsequent Third Party Owner shall not be required to provide the disclosure information required by Sections 3(c)(i), 3(c)(ii), 3(c)(v), 3(c)(vi), and 3(e) above unless the Subsequent Third Party Owner has assumed the obligation to construct one or more of the Phase #1 Improvements, through an assignment of the obligations, requirements or covenants under the Development Agreement or through any contractual arrangement resulting in the same, in which case the Subsequent Third Party Owner shall include the disclosure information required by Sections 3(c)(i), 3(c)(ii), 3(c)(v), 3(c)(vi), and 3(e) above for the Phase #1 Improvements it is constructing. The Developer shall deliver to the Dissemination Agent and the Issuer a written acknowledgement from each Subsequent Third Party Owner, acknowledging and assuming its obligations under this Disclosure Agreement. Upon any such transfer to a Subsequent Third Party Owner, and such Subsequent Third Party Owner's assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

SECTION 4. Event Reporting Obligations of Developer.

(a) Pursuant to the provisions of this Section 4, each of the following is a Listed Event with respect to the Bonds:

- (i) Failure to pay any real property taxes or Assessments levied within Phase #1 of the District on a parcel owned by the Developer;
- (ii) Material damage to or destruction of any development or improvements, including the Phase #1 Improvements within Phase #1 of the District;

(iii) Material default by the Developer on any loan with respect to the development or permanent financing of the Phase #1 Improvements or development of Phase #1 of the District undertaken by the Developer;

(iv) Material default by the Developer on any loan secured by property within Phase #1 of the District owned by the Developer;

(v) The bankruptcy filing of the Developer or any determination that the Developer is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer, 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.

(vii) The filing of any lawsuit with claim for damage, in excess of \$1,000,000 against the Developer which may adversely affect the completion of the development or litigation which would materially adversely affect the financial condition of the Developer; and

(viii) Any change in the legal structure, chief executive officer or controlling ownership of the Developer.

Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall promptly notify the Issuer and the Dissemination Agent in writing and the Developer shall direct the Dissemination Agent, subject to the Issuer's written approval, to immediately file a notice of such occurrence with the MSRB and the Participating Underwriter. 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 paragraph shall be accompanied with the text of the disclosure that the Developer desires to make, the written authorization of the Developer for the Dissemination Agent to disseminate such information as provided herein, and the date the Developer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after Developer becomes aware of the occurrence of the Listed Event).

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Issuer and the Developer of such Listed Event. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Developer 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 Developer 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, the Developer 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 the Dissemination Agent has been instructed by the Developer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within one (1) Business Day of its receipt of such written instructions from the Developer.

SECTION 5. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or a Subsequent Third Party Owner, if any, under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Developer or a Subsequent Third Party Owner, if any, is no longer liable for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installment of Assessments for any year.

(b) At such time that the Developer or a Subsequent Third Party Owner, if any, is no longer liable for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installments of Assessments for any year, the Administrator shall provide written notice to the Developer, any Subsequent Third Party Owner, if applicable, the Issuer and the Dissemination Agent that such party is no longer liable for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installments of Assessments for any year, thereby, terminating such party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to the Developer or a Subsequent Third Party Owner occurs prior to the legal defeasance, prior redemption or payment in full of all of the Bonds, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB and the Participating Underwriter within ten (10) Business Days of its receipt thereof.

(c) The reporting obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Developer and any Subsequent Third Party Owner, if any, are no longer liable for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installment of Assessments for any year and any Termination Notice required by subsection (b) of this Section 5 has been provided to the MSRB and Participating Underwriter.

SECTION 6. 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 THE DEVELOPER'S 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 MUNICAP INC.

SECTION 7. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Developer or Administrator), 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 or 4, 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 the Developer, or the type of business conducted; and

(b) 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. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Improvement Implementation 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 Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 7 to the Issuer and the Participating Underwriter.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer 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 addition to that which is required by this Disclosure Agreement. If the Developer chooses to include any information in any Quarterly Improvement Implementation Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 9. Default. In the event of a failure of the Developer or Administrator 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 Developer and/or Administrator 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 Developer or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Developer shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of the Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by the Developer or Administrator.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only

such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Developer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer 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 financial advisory relationship with the Issuer in connection with the transaction described in the Indenture shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 4 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR OR THE DEVELOPER 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 DEVELOPER, THE DISSEMINATION AGENT OR THE ADMINISTRATOR, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 11. No Personal Liability. No covenant, stipulation, obligation or agreement of the Developer, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Developer, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 12. 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 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Administrator, the Dissemination Agent, the Issuer, 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 14. 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 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 15. ADMINISTRATOR COMPENSATION. THE FEES AND EXPENSES INCURRED BY THE ADMINISTRATOR 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 ADMINISTRATOR HAS ENTERED INTO A SEPARATE AGREEMENT WITH THE ISSUER, WHICH

AGREEMENT GOVERNS THE ADMINISTRATION OF THE DISTRICT, INCLUDING THE PAYMENT OF THE FEES AND EXPENSES OF THE ADMINISTRATOR FOR ITS SERVICES RENDERED IN ACCORDANCE WITH THIS DISCLOSURE AGREEMENT.

SECTION 16. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 17. 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.

MUNICAP, INC.
(as Dissemination Agent)

By: _____
Authorized Officer

DEVELOPER:

CADG Celina 156, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Managing 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

MUNICAP INC.
(as Administrator)

By: _____
Name: _____
Title: _____

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2
PHASE #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of April 1, 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 (Chalk Hill Public Improvement District No. 2 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 April 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 CADG Celina 156, 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 April 1, 2018 executed and delivered by the Developer, the Administrator and MuniCap, Inc., as 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 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 Chalk Hill Public Improvement District No. 2.

“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.

“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) 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 under the Indenture securing the Bonds and a description of the related investments.
 - (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 of the District.

(iii) 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.

(iv) 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 in such Fiscal Year.

(v) 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.

(vi) 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.

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 HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Issuer Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Issuer Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that

which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction 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 #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 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 #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

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

HTS CONTINUING DISCLOSURE SERVICES,
a Division of Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

Attachment: Celina - Chalk Hill PID No. 2 Phase #1 - Bond Ordinance WITH EXHIBITS (3-19 update) (Chalk Hill Bond Ordinance (Phase 1))

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

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
 (Chalk Hill Public Improvement District No. 2 Phase #1 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 April 1, 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
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE #1 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

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

* Illustrates anticipated dates and procedures for pursuing the collection of delinquent Assessments, which dates and procedures are subject to adjustment.

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. 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 AGREEMENT

Attachment: Celina - Chalk Hill PID No. 2 Phase #1 - Bond Ordinance WITH EXHIBITS (3-19 update) (Chalk Hill Bond Ordinance (Phase 1))

LANDOWNER AGREEMENT

This **LANDOWNER AGREEMENT** (the “Agreement”), is entered into as of March 23, 2018, between the City of Celina, Texas (the “City”), a home rule municipality of the State of Texas (the “State”), and CADG Celina 156, LLC, a Texas limited liability company (the “Landowner”).

RECITALS:

WHEREAS, Landowner owns the Assessed Parcels described by a metes and bounds description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the “Landowner Parcel”) which is coterminous with the Chalk Hill Public Improvement District No. 2 (the “District”) in the City; and

WHEREAS, the City Council has adopted an assessment ordinance for the Authorized Improvements (including all exhibits and attachments thereto, the “Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the 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 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 Authorized Improvements that will benefit the Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, the Covenants, Conditions and Restrictions attached to this Agreement as **Exhibit II** and which are incorporated herein for all purposes, include the statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”), to the purchaser.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the City and the Landowner hereby contract, covenant and agree as follows:

DEFINITIONS; APPROVAL OF AGREEMENTS

Definitions. Capitalized terms used but not defined herein (including each exhibit hereto) shall have the meanings ascribed to them in the Service and Assessment Plan.

Affirmation of Recitals. The findings set forth in the Recitals of this Agreement are hereby incorporated as the official findings of the City Council.

I. AGREEMENTS OF LANDOWNER

A. Affirmation and Acceptance of Agreements and Findings of Benefit. Landowner hereby ratifies, confirms, accepts, agrees to, and approves:

- (i) the creation and boundaries of the District, and the boundaries of the Landowner's Parcel which are coterminous with the District, all as shown on Exhibit I, and the location and development of the Authorized Improvements on the Landowner Parcel and on the property within the District;
- (ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Assessment Ordinance; and
- (iii) the 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 the District, as shown on the assessment rolls attached as Appendix D and Appendix E to the Service and Assessment Plan (the "Assessment Rolls");
- (ii) the Authorized Improvements specially benefit the District, and the Landowner's Parcel, in an amount in excess of the Assessment levied on the Landowner's Parcel within the District, as such Assessment is shown on the Assessment Rolls;
- (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 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 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 a Landowner's 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 Assessment Rolls) 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 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. OWNERSHIP AND CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

A. Ownership and Transfer of Authorized Improvements. Landowner acknowledges that all of the Authorized 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 Authorized 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 Authorized Improvements on the property within the District, to stage on the property within the District construction trailers, building materials and equipment to be used in connection with such construction of the Authorized Improvements and for passage and use over and across parts of the property within the District as shall be reasonably necessary during the construction of the Authorized Improvements. Any subsequent owner of the Landowner’s Parcel may require that each contractor constructing the Authorized 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 Authorized 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 Authorized Improvements on those portions of the property within 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 Authorized 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 Authorized 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 Moayedi
CADG Celina 156, LLC
1800 Valley View Lane
Suite 300
Farmers Branch, Texas 75234

With a copy to: Attn: J. Prabha Cinclair
Miklos Law, 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 Authorized 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: _____
Mayor Pro-Tem

[Signature Page Landowner Agreement]

LANDOWNER

CADG Celina 156, 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 Celina 156, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

[Signature Page Landowner Agreement]

LANDOWNER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDOWNER'S PARCEL

PROPERTY DESCRIPTION:

Being a 94.827 acre tract of land situated in the George W. Eastes Survey, Abstract Number 299, the William W. Shawver Survey, Abstract Number 810, and the William B. Tucker Survey, Abstract Number 912, City of Celina, Collin County, Texas, and being a part of that certain tract of land described by deed to CADG CELINA 156, LLC, recorded under Document Number 20141015001128280, Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2 inch iron rod found for the most northwest corner of a tract of land described to A.P. Sommerhalder, LLC, by deed recorded in document number 20150625000764600, Deed Records, Collin County, Texas, and the southwest corner of that certain tract of land described by deed to Preston 51 CR 102, LP, recorded under Document Number 20071120001569950 of the Official Public Records of Collin County, Texas, and being in the east line of State Highway No. 289, also known as Preston Road, having a variable width right-of-way, and being within County Road 102;

THENCE South 89 degrees 43 minutes 35 seconds East, within said County Road 102 and with the north line of said A. P. Sommerhalder tract and the south line of said Preston 51 CR 102 tract, a distance of 737.08 feet to a point for corner, being the POINT OF BEGINNING;

THENCE South 89 degrees 43 minutes 35 seconds East, continuing within said County Road 102, a distance of 1803.23 feet to a point for the southeast corner of said Preston 51 CR 102, LP tract, same being an inner ell corner of said CADG Celina 156, LLC tract;

THENCE North 00 degrees 26 minutes 05 seconds West, with the east line of said Preston 51 CR 102, LP tract and the northernmost west line of said CADG Celina 156, LLC tract, a distance of 640.81 feet to a 1/2 inch iron rod found for the southwest corner of that same tract of land described to Mohammad Ali Dalaki, by deed recorded in Document Number 20141119001266880, Official Public Records, Collin County, Texas, same being the northernmost northwest corner of said CADG Celina 156, LLC tract;

THENCE North 89 degrees 49 minutes 17 Seconds East, with the south line of said Dalaki tract and the north line of said CADG Celina 156, LLC tract, a distance of 1391.00 feet to a point for the southeast corner of said Dalaki tract and the northeast corner of said CADG Celina 156, LLC tract, said point lying on the west line of that same tract of land described to Nanda Estates, LLC, by deed recorded in Document Number 201407090000706790, Official Public Records, Collin County, Texas;

THENCE South 00 degrees 30 minutes 42 seconds East, with the west line of said Nada Estates, LLC tract and the easternmost line of said CADG Celina 156, LLC tract, a distance of 1391.70 feet to a 5/8 inch iron rod found for the easternmost southeast corner thereof, same being the southwest corner of said Nada Estates, LLC tract, and lying on the north line of that same tract of land described to Four Winds Enterprises, Ltd., by deed recorded in Volume 5476, Page 8080, Official Public Records, Collin County, Texas;

THENCE South 88 degrees 45 minutes 36 seconds West, with the north line of said Four Winds Enterprises, Ltd. tract, and the easternmost south line of said CADG Celina 156, LLC tract, a distance of 551.59 feet to a point for corner;

THENCE South 89 degrees 08 minutes 14 seconds West, continuing with the north line of said Four Winds Enterprises, Ltd. tract, and the easternmost south line of said CADG Celina 156, LLC tract, a distance of 1442.68 feet to a 1/2 inch iron rod found for the northwest corner of said Four Winds Enterprises, Ltd. tract and an inner ell corner of said CADG Celina 156, LLC tract;

THENCE South 00 degrees 08 minutes 33 seconds West, with the west line of said Four Winds Enterprises, Ltd. tract, and the southernmost east line of said CADG Celina 156, LLC tract, a distance of 45.11 feet to point for corner in the

west line of said Four Winds Enterprises, Ltd., and at the beginning of a curve to the left having a radius of 708.00 feet, with a delta angle of 36 degrees 15 minutes 41 seconds, whose chord bears South 72 degrees 00 minutes 02 seconds West, a distance of 440.64 feet;

THENCE, in a southwesterly direction, departing the southernmost east line of said CADG Celina 156 tract, over, across, and upon said CADG Celina 156 tract, and with said curve, an arc length of 448.08 feet to a point for corner;

THENCE South 53 degrees 52 minutes 12 seconds West, continuing within said CADG Celina 156 tract, a distance of 1001.46 feet to a point for corner lying on the west line thereof, same being the east line of that certain tract of land described in deed to Sutton Field Investments, LLC, recorded under Document Number 20150305000240910, Official Public Records of Collin County, Texas;

THENCE North 01 degrees 31 minutes 38 seconds West, with the west line of said CADG Celina 156 tract, the east line of said Sutton Field Investments, LLC, tract, and the east line of that certain tract of land described to Old Celina, LTD., by deed recorded under Document Number 20150305000240780 of the Official Public Records of Collin County, Texas, a distance of 403.65 feet to point for corner;

THENCE North 87 degrees 49 minutes 58 seconds West, with the westernmost south line of said CADG Celina 156 tract, and the north line of said Old Celina, LTD. tract, a distance of 793.07 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner in the east line of said Preston Road, lying in a curve to the left having a radius of 11546.01 feet, with a delta angle of 02 degrees 10 minutes 12 seconds, whose chord bears North 05 degrees 22 minutes 06 seconds East, a distance of 437.28 feet;

THENCE continuing with the east line of said Preston Road and with said curve, an arc length of 437.31 feet to a point for the westernmost northwest corner of said CADG Celina 156 tract and the southwest corner of said A.P. Sommerhalder, LLC tract;

THENCE South 85 degrees 39 minutes 30 seconds East, with the westernmost north line of said CADG Celina 156 tract and the south line of said A.P. Sommerhalder, LLC. tract, a distance of 763.62 feet to point for the southeast corner of said A.P.Sommerhalder, LLC. tract and an interior corner of said CADG Celina 156 tract;

THENCE North 01 degrees 37 minutes 07 seconds East, with the northernmost west line of said CADG Celina 156 tract and the east line of said A.P. Sommerhalder, LLC. tract, a distance of 749.79 feet to the POINT OF BEGINNING, and containing 94.827 acres of land, more or less, and being subject to any and all easements that may affect.

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 _____ 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 A (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 Chalk Hill Public Improvement District No. 2 (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 assessment ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the "Assessment Ordinance") and the Service and Assessment Plan included as an exhibit to the 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 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 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 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 Assessment Ordinance by the City Council;
- (d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the City's finding of a 'special benefit' pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and
- (e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the City Council's levy of the Assessments.

3. **Amendments:** This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner's Parcel and the City. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the real Property Records of 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.

LANDOWNER

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:

LANDOWNER AGREEMENT - EXHIBIT III
HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit III, the recorded Notice of the Authorization and Establishment of the Chalk Hill Public Improvement District No. 2 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 Assessment Rolls for such Assessed Parcel (or if the Assessment Rolls are 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 comply with the requirements of the Homebuyer Disclosure Program establish by that certain Agreement of record entered into by and between **CADG Celina 156, LLC**, a Texas limited liability company and the **City of Celina** and shall cooperate with the Administrator in administration thereof.
4. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.
5. 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.
6. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

EXHIBIT E
CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT

Attachment: Celina - Chalk Hill PID No. 2 Phase #1 - Bond Ordinance WITH EXHIBITS (3-19 update) (Chalk Hill Bond Ordinance (Phase 1))

**CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE #1
IMPROVEMENTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT**

THIS CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE #1 IMPROVEMENTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this “Agreement”), dated as of March 23, 2018, is by and between the **CITY OF CELINA, TEXAS**, a home-rule municipality of the State of Texas (the “City”), and **CADG CELINA 156, LLC**, a Texas limited liability company, (the “Developer”).

**ARTICLE I
DEFINITIONS**

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“**Act**” means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” means the costs of the Authorized Improvement Projects actually paid or incurred for construction and installation of the Authorized Improvement Projects.

“**Administrator**” means, initially, MuniCap Inc., or any other individual or entity designated by the City to administer the District.

“**Annual Service Plan Update**” means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan.

“**Authorized Improvement Projects**” means Phase #1 Improvements and Phase #1 Major Improvements, each as listed in Section III of the Service and Assessment Plan.

“**Bond Ordinance**” means the ordinance adopted by the City Council on March 23, 2018 authorizing the issuance of the Bonds pursuant to the Indenture.

“**Bonds**” means the City’s bonds designated "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phase #1 Project)".

“**Budgeted Costs**” means the anticipated, agreed upon costs of the Authorized Improvement Projects as shown in Section III of the Service and Assessment Plan.

“**Certification for Payment**” means a certificate, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Developer, the Administrator and the City, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative (as defined in the Indenture), provided each month to the City Representative and the Trustee, specifying the amount of work performed and the amount

charged for that work, including materials and labor costs, presented to the Trustee to request payment for Actual Costs of Authorized Improvement Projects under the Indenture.

“City Representative” means that official or agent of the City authorized by the City Council to undertake the action referenced herein.

“Closing Disbursement Request” means the certificate, substantially in the form of **Exhibit A** hereto or otherwise mutually agreed to by the Developer, Administrator and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative (as defined in the Indenture), specifying the amounts to be disbursed for the costs related to the creation of the District and the costs of issuance of the Bonds.

“Construction Contracts” means the contracts for the construction of an Authorized Improvement Project. **“Construction Contract”** means any one of the Construction Contracts.

“Cost” means the Budgeted Costs or the cost of an Authorized Improvement Project as reflected in a Construction Contract, if greater than the Budgeted Costs.

“Cost Overrun” means, with respect to each Authorized Improvement Project, the Actual Cost, as appropriate, of such Authorized Improvement Project in excess of the Budgeted Cost.

“Development Agreement” means that certain Development Agreement, Chalk Hill Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement executed by and between the City and the Developer, effective October 13, 2017 and recorded on January 5, 2018 as document 20180105000023660 in the deed records of Collin County, Texas.

“District” shall mean Chalk Hill Public Improvement District No. 2 created December 12, 2017.

“Final Completion” means completion of an Authorized Improvement Project in compliance with existing City standards for dedication under the City’s ordinances and the Development Agreement.

“Indenture” means that certain Indenture of Trust between the City and U.S. Bank National Association, as trustee, dated as of April 1, 2018 relating to the Bonds.

“Inspector” means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“Phase #1 Major Improvements” mean, collectively, the pro rata portion of the Major Improvements allocable to Phase #1 listed in Section III of the Service and Assessment Plan. An individual Phase #1 Major Improvement, including a completed segment, section, or part, shall be referred to as a Phase #1 Major Improvement.

“Phase #1 Improvements” mean, collectively, the Phase #1 Improvements allocable to Phase #1 listed in Section III of the Service and Assessment Plan. An individual Phase #1 Improvement, including a completed segment, section or part, shall be referred to as a Phase #1 Improvement.

“Plans” means the plans, specifications, schedules and related construction contracts for the Authorized Improvement Projects, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

“Project Fund” means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

“Service and Assessment Plan” means the Chalk Hill Public Improvement District No. 2 Service and Assessment Plan adopted by Ordinance No. _____ on March 23, 2018 by the City Council, prepared pursuant to the Act.

“Substantial Completion” means the time at which the construction of a Phase #1 Improvement (or specified segment, section or part thereof) or a Phase #1 Major Improvement (or specified segment, section or part thereof) has progressed to the point where such Phase #1 Improvement (or a specified segment, section or part thereof) or a Phase #1 Major Improvement (or specified segment, section or part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Phase #1 Improvement (or a specified segment, section or part thereof) or a Phase #1 Major Improvement (or specified segment, section or part thereof) can be utilized for the purposes for which it is intended.

“Supplement” means a written document agreed upon by the parties to this Agreement amending, supplementing or otherwise modifying this Agreement and any exhibit hereto.

ARTICLE II RECITALS

Section 2.01. The District and the Authorized Improvement Projects.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Authorized Improvement Projects.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance all or a portion of the Phase #1 Improvements and all or a portion of the Phase #1 Major Improvements in accordance with the terms and limitations of the Development Agreement and the Service and Assessment Plan.

(c) All Phase #1 Improvements and the Phase #1 Major Improvements are eligible to be financed with proceeds of the Bonds.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Phase #1 Improvements and the Phase #1 Major Improvements for acquisition and acceptance by the City.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) The projects to be financed with the Bonds are the Phase #1 Major Improvements and the Phase #1 Improvements. The payment of costs from the proceeds of the Bonds for such Phase #1 Improvements shall be made from the Phase #1 Improvement Account of the Project Fund established under the Indenture. The payment of costs from the proceeds of the Bonds for such Phase #1 Major Improvements shall be made from the Major Improvement Account of the Project Fund established under the Indenture. The costs of all Phase #1 Improvements and Phase #1 Major Improvements shall be paid first from the Developer Improvement Account of the Project Fund and then from the Phase #1 Improvement Account of the Project Fund and the Major Improvement Account of the Project Fund, as applicable.

(c) The City's obligation with respect to the payment of the Phase #1 Improvements and the Phase #1 Major Improvements shall be limited to the Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns, Actual Costs and all expenses related to the Phase #1 Improvements and the Phase #1 Major Improvements, qualified, however, by the distribution of Cost Underrun (as defined in Section 4.04 hereof) monies, as detailed in Section 4.04.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for

liquidation of an investment. Any such loss may diminish the amounts available in the Project Fund to pay the Costs of the Phase #1 Improvements and the Phase #1 Major Improvements in the District, including the Developer to the extent it owns any real property in the District. The Developer's, or any other owners of property in the District, obligation to pay Assessments is not in any way dependent on the availability of amounts in the Project Fund to pay for all or any portion of the Costs of the Phase #1 Improvements or the Phase #1 Major Improvements.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Phase #1 Improvements and the Phase #1 Major Improvements shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Phase #1 Improvements and the Phase #1 Major Improvements required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

(f) The Developer acknowledges that some funds may not be immediately available for reimbursement for Actual Costs submitted and approved with an approved Certification for Payment. Both parties acknowledge that these remaining amounts will be disbursed, to the extent of available monies in the Project Fund under the terms of the Indenture, as money is deposited into the Project Fund for the payment of such costs. Both Parties acknowledge that the availability of funds in the Project Fund does not relieve the Developer from its responsibility to acquire, construct, or ensure the construction of the Phase #1 Improvements and the Phase #1 Major Improvements in accordance with the Development Agreement, the Service and Assessment Plan, and this Agreement.

Section 3.02. Disbursements and Transfers at Bond Closing.

(a) The City and the Developer agree that from the proceeds of the Bonds and upon the presentation of evidence satisfactory to the City, the City will cause the Trustee to pay at closing of the Bonds from the Cost of Issuance Account of the Project Fund and/or the Phase #1 Improvement Account of the Project Fund, an amount not to exceed \$ [REDACTED] to the persons entitled to the payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the District as of the delivery of the Bonds, as described in the Service and Assessment Plan.

Section 3.03 Accounts. There shall be four accounts administered by the Trustee, at the direction of the City Representative:

(a) The Phase #1 Improvement Account of the Project Fund. Proceeds from the issuance and sale of the Bonds attributable to the Phase #1 Improvements shall be deposited into the Phase #1 Improvement Account of the Project Fund in the amount shown in the Indenture.

(b) The Major Improvement Account of the Project Fund. Proceeds from the issuance and sale of the Bonds attributable to the Phase #1 Major Improvements shall be deposited into the Major Improvement Account of the Project Fund in the amount shown in the Indenture.

(c) The Developer Improvement Account of the Project Fund. On the Closing Date and pursuant to the terms of the Indenture, the Developer shall make an initial deposit to the Developer Improvement Account of the Project Fund in the amount shown in Section 6.2(b) of the Indenture.

(d) The Phase #1 Account of the Tax Increment Fund. This account shall receive the annual tax increment, if collected, generated by properties within Phase #1 (as defined in the Indenture), and the City shall distribute or credit, or shall cause to be distrusted or credited, such amounts in accordance with the Project and Finance Plan for the City of Celina Tax Increment Reinvestment Zone No. Ten.

Section 3.04. Security for the Phase #1 Improvements and the Phase #1 Major Improvements. Prior to completion and conveyance to the City of a Phase #1 Improvement and a Phase #1 Major Improvement, the Developer or the Developer's contractor shall provide to the City a maintenance bond in the amount of 100% of each Phase #1 Improvement and the Phase #1 Major Improvement, which maintenance bond shall be for a term of two years from the date of final acceptance of the Phase #1 Improvement and/or the Phase #1 Major Improvement in accordance with City Ordinance and state law. Any surety company through which a bond is written shall be a Texas-domestic surety company duly authorized to do business in the State of Texas, provided that the City, through the City Attorney, shall retain the right to reject any surety company as a surety for any work hereunder regardless of such company's authorization to do business in Texas. The Developer shall construct or cause to be constructed Phase #1 Improvements and the Phase #1 Major Improvements in accordance with the City's established ordinances, regulations, policies, procedures, specifications, and the Development Agreement. Prior to City accepting any Phase #1 Improvement and any Phase #1 Major Improvement and/or approving a final disbursement for a Phase #1 Improvement and the Phase #1 Major Improvement, the Developer shall provide an "all bills paid/no liens" affidavit, in the form provided by the City and shall also provide such supporting documentation as required by the City, that affirms that all invoices and bills were paid for the Phase #1 Improvement and the Phase #1 Major Improvement.

ARTICLE IV

CONSTRUCTION OF PHASE #1 IMPROVEMENTS AND PHASE #1 MAJOR IMPROVEMENTS

Section 4.01. Duty of Developer to Construct.

(a) All Phase #1 Improvements and Phase #1 Major Improvements shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Phase #1 Improvements and the Phase #1 Major Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care

normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Phase #1 Improvements and Phase #1 Major Improvements, to be acquired and accepted by the City from the Developer as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Phase #1 Improvement and Phase #1 Major Improvement and, upon completion, inspection, and acceptance, convey each such Phase #1 Improvement and Phase #1 Major Improvement to the City in accordance with the terms hereof, even if there are insufficient funds in the Project Fund to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Phase #1 Improvements and the Phase #1 Major Improvements required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Phase #1 Improvements and the Phase #1 Major Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Phase #1 Improvements or the Phase #1 Major Improvements.

Section 4.04. Remaining Funds After Completion of a Phase #1 Improvement or a Phase #1 Major Improvement. Upon the Final Completion of a Phase #1 Improvement or a Phase #1 Major Improvement and payment of all outstanding invoices for such Phase #1 Improvement or a Phase #1 Major Improvement, if the Actual Cost of such Phase #1 Improvement or a Phase #1 Major Improvement is less than the Budgeted Cost (a “Cost Underrun”), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Phase #1 Improvement or a Phase #1 Major Improvement. The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Phase #1 Improvement and/or Phase #1 Major Improvement. Any Cost Underrun for any Phase #1 Improvement or Phase #1 Major Improvement is available to pay Cost Overruns on any other Phase #1 Improvement or Phase #1 Major Improvement.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “change orders”) required for the construction of the Phase #1 Improvements and the Phase #1 Major Improvements.

Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of a Phase #1 Improvement or the Cost of a Phase #1 Major Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders except to the extent amounts are available pursuant to Section 4.04. If any change order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City's engineer prior to execution of the change order.

ARTICLE V ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive the disbursement from the Cost of Issuance Account of the Project Fund and/or from the Phase #1 Improvement Account of the Project Fund at closing of the Bonds described in Section 3.02, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the City, to be delivered to the City no less than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive the disbursement for an Authorized Improvement Project from the Phase #1 Improvement Account of the Project Fund or from the Major Improvement Account of the Project Fund, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the City, to be delivered to the City no later than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the City, the City shall submit a Closing Disbursement Request or a Certification for Payment, as applicable, to the Trustee for disbursement to be made from the Phase #1 Improvement Account of the Project Fund or the Major Improvement Account of the Project Fund, as applicable, upon closing of the Bonds.

Section 5.02. Certification for Payment for a Phase #1 Improvement or a Phase #1 Major Improvement.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on a Phase #1 Improvement or a Phase #1 Major Improvement until a monthly Certification for Payment is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation executed by the City) from the Developer, the Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such Phase #1 Improvement or a Phase #1 Major Improvement identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certification for Payment (collectively, the "Developer Compliance

Requirements”). The Inspector and/or the City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the Inspector and/or City Representative in conducting each such review and to provide the Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the Inspector to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certification for Payment, the Inspector shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the Inspector disapproves the Certification for Payment, give written notification to the Developer of the Inspector’s disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the Inspector shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the Administrator for approval in accordance with Section 5.03 hereof and delivery to the Developer in accordance with Section 5.02(c) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial denial.

(c) If the Inspector fails to act with respect to a Certification for Payment within the time period therein provided, the Developer shall submit the Certification for Payment directly to the City Representative for approval. Within five (5) business days of receipt of any Certification for Payment, the City Representative shall approve or deny the Certification for Payment, and provide notice to the Administrator and Developer. Upon approval of a Certification for Payment, the approval shall be forwarded to the Trustee for payment, and delivery to the Developer in accordance with Section 5.03 hereof. The approval of the Certification for Payment by the City Representative shall constitute a representation by the City Representative to the Trustee of the Developer’s compliance therein. Pursuant to the terms of Section 5.03 and the Indenture, the Trustee shall make a payment to the Developer, or pursuant to the Developer’s directions, of an approved Certification for Payment.

(d) If the City Representative denies the Certification for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator’s fee being paid by Developer. The Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(e) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee for payment and the Trustee shall make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for Phase #1 Improvement or a Phase #1 Major Improvement.

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall make payment from the following funds: (1) first from the Developer Improvement Account of the Project Fund; then (2) the Phase #1 Improvement Account or the Major Improvement Account of the Project Fund as applicable and designated in the Certification for Payment pursuant to the terms of the Certification for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Phase #1 Improvement or a Phase #1 Major Improvement (or its completed segment), unless a Cost Overrun amount has been approved for a particular Phase #1 Improvement or a Phase #1 Major Improvement. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the Trustee shall make payment directly to the general contractor or supplier of materials or services or jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment, out of available funds in the Project Fund. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Phase #1 Improvement and Phase #1 Major Improvement identified in such request for payment being paid, then Trustee shall hold the payment until work with respect to that Phase #1 Improvement and Phase #1 Major Improvement and has been completed and accepted by the City. If an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment, the Trustee shall make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials' unconditional lien release for a portion of the work covered by a Certification for Payment, the Trustee will make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Phase #1 Improvement or a Phase #1

Major Improvement to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Authorized Improvements is contested, the Developer shall post or cause delivery of a surety bond in the amount determined by the City or City may decline to accept the Authorized Improvements until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI OWNERSHIP AND TRANSFER OF PHASE #1 IMPROVEMENT OR PHASE #1 MAJOR IMPROVEMENT

Section 6.01. Phase #1 Improvement or a Phase #1 Major Improvement to be Owned by the City– Title Evidence. The Developer shall furnish to the City a preliminary title report for land with respect to a Phase #1 Improvement and a Phase #1 Major Improvement to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City, for review and approval at least thirty (30) calendar days prior to the transfer of title of a Phase #1 Improvement or a Phase #1 Major Improvement to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Phase #1 Improvement or a Phase #1 Major Improvement until the Developer has cured such objections to title to the satisfaction of the City.

Section 6.02. Phase #1 Improvement Constructed or a Phase #1 Major Improvement on City Land or Developer Land. If the Phase #1 Improvement or a Phase #1 Major Improvement is on land owned by the City, the City hereby grants to the Developer, where applicable, a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Phase #1 Improvement or a Phase #1 Major Improvement. The provisions for inspection and acceptance of such Phase #1 Improvement or a Phase #1 Major Improvement otherwise provided herein shall apply. If the Phase #1 Improvement and/or Phase #1 Major Improvement is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Phase #1 Improvement and /or Phase #1 Major Improvement. The provisions for inspection and acceptance of such Phase #1 Improvement and/or Phase #1 Major Improvement otherwise provided herein shall apply.

ARTICLE VII REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer consists of one limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Phase #1 Improvements or the Phase #1 Major Improvements in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Phase #1 Improvements or the Phase #1 Major Improvements.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition construction or installation of any improvements that are not part of the Phase #1 Improvements or the Phase #1 Major Improvements, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Records. For a period of two years after completion of the Phase #1 Improvements and the Phase #1 Major Improvements, the Developer covenants to maintain proper books of record and account for the construction of the Phase #1 Improvements and the Phase #1 Major Improvements and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Phase #1 Improvements and the Phase #1 Major Improvements have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Phase #1 Major Improvements and Phase #1 Improvements to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the Inspector

and the City Representative related to the status of construction of Authorized Improvement Projects within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “Tax Certificate”) containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, “Bond Proceeds”).

The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Phase #1 Improvements and the Phase #1 Major Improvements) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE INSPECTOR, THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN “INDEMNIFIED PARTY”), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT

DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE PHASE #1 IMPROVEMENTS AND THE PHASE #1 MAJOR IMPROVEMENTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND TIS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE PHASE #1 IMPROVEMENTS AND THE PHASE #1 MAJOR IMPROVEMENTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE PHASE #1 IMPROVEMENTS AND THE PHASE #1 MAJOR IMPROVEMENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE PHASE #1 IMPROVEMENTS AND THE PHASE #1 MAJOR IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE PHASE #1 IMPROVEMENTS AND THE PHASE #1 MAJOR IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER SHALL BE JOINTLY

AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Phase #1 Improvements and the Phase #1 Major Improvements, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Phase #1 Improvements and the pro-rata Costs of the Phase #1 Major Improvements is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer is or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer is or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Authorized Improvement Projects not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Authorized Improvement Project hereunder, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the Inspector and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Authorized Improvement Projects. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of 45 days to eliminate or to mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the City related to an Authorized Improvement Project only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the City to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the Trustee to cease making payments for the Actual Costs of Authorized Improvement Projects, provided that the Developer shall receive payment of the Actual Costs of any Authorized Improvement Projects that were accepted by the City at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Authorized Improvement Projects not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Authorized Improvement Projects hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer. The City shall have no obligation to perform any work related to an Authorized Improvement or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds issued under the Indenture.

Section 8.04. Construction of the Authorized Improvement Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Authorized Improvement Projects in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) (“Force Majeure”), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, upon the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required within ten (10) business days of the occurrence of the event of Force Majeure.

ARTICLE IX MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City’s obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days’ prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be

immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: City Manager City of Celina, Texas 142 N. Ohio Celina, Texas 75009
With a copy to:	Attn: Julie Fort Messer, Rockefeller & Fort, PLLC 6371 Preston Road, Suite 200 Frisco, TX 75034
And to:	Attn: Bond Counsel Robert Dransfield Norton Rose Fulbright US LLP 2200 Ross Avenue, Suite 3600 Dallas, Texas 75201
To the Owner:	Attn: Mehrdad Moayedi CADG Celina 156 LLC 1800 Valley View Lane, Suite 300 Farmers Branch, Texas 75234
With a copy to:	Attn: Robert Romo CADG Celina 156, LLC 1800 Valley View Lane, Suite 300 Farmers Branch, Texas 75234
And to:	Attn: J. Prabha Cinclair Miklos Law, PLLC 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234

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

The City shall advise the Developer of the name and address of any Inspector who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this

Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Manager, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for the Developer for an Authorized Improvement Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Authorized Improvement Project. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee’s express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City’s or the Developer’s rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control. To the extent there is a conflict between this Agreement and the Development Agreement, this Agreement shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party’s right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

[Execution pages follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of _____, 2018.

CITY OF CELINA, TEXAS

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

ATTEST:

 Name: Vicki Faulkner
 Title: City Secretary

(City Seal)

APPROVED AS TO FORM

 Name: Julie Fort, Messer, Rockefeller & Fort, PLLC
 Title: Attorney for the City

DEVELOPER:

CADG Celina 156, 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

Exhibit A**FORM OF CLOSING DISBURSEMENT REQUEST**

The undersigned is an agent for CADG Celina 156, LLC, (the “Developer”) and requests payment from:

[the Cost of Issuance Account of the Project Fund][the Phase #1 Improvement Account of the Project Fund] [the Major Improvement Account of the Project Fund] (as defined in the Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding, and Acquisition Agreement) from _____, (the “Trustee”) in the amount of _____ DOLLARS (\$_____) for costs incurred in the establishment, administration, and operation of the Chalk Hill Public Improvement District No. 2 (the “District”), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

In connection to the above referenced payments, 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 above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the 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 Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding, and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture (as defined in the Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding, and Acquisition 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.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

I hereby declare that the above representations and warranties are true and correct.

CADG CELINA 156, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. 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 the Cost of Issuance Account of the Project Fund, the Phase #1 Improvement Account of the Project Fund, and/or the Major Improvement Account of the Project Fund, as applicable, upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding and Acquisition Agreement, the Indenture, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in a Phase #1 Improvement or a Phase #1 Major Improvement.

CITY OF CELINA, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B**CERTIFICATION FOR PAYMENT FORM – PHASE #1 IMPROVEMENTS OR PHASE #1 MAJOR IMPROVEMENT**

The undersigned is a lawfully authorized representative for CADG Celina 156, LLC, (the “Developer”) and requests payment from the applicable account of the Project Fund (as defined in the Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding, and Acquisition Agreement) from the City of Celina, Texas (the “City”) in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Phase #1 Improvements or Phase #1 Major Improvements related to the Chalk Hill Public Improvement District No. 2 (the “Authorized Improvements”):

[insert specific Phase #1 Improvement or specific Phase #1 Major Improvement this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Chalk Hill Public Improvement District No. 2 Phases #1 Improvements Construction, Funding, and Acquisition Agreement.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Phase #1 Improvement(s) or Phase #1 Major Improvement(s) 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 itemized amounts listed for the Phase #1 Improvement(s) or Phase #1 Major Improvement(s) below is a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Phase #1 Improvement(s) or Phase #1 Major Improvement(s) identified above, and such costs (i) are in compliance with the Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding and Acquisition Agreement, and (ii) are consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture (as defined in the Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding and Acquisition Agreement) for the payment hereby requested have been satisfied.

6. The work with respect to the Phase #1 Improvement(s) or the Phase #1 Major Improvement(s) identified above (or its completed segment, portion or segment) has been completed and the City has inspected the Phase #1 Improvement(s) or the Phase #1 Major Improvement(s). If this request for payment results in ninety percent (90%) or more of the Budgeted Costs for the Phase #1 Improvement(s) or the Phase #1 Major Improvement(s) identified above being paid, then the work with respect to the Phase #1 Improvement(s) or the Phase #1 Major Improvement(s) have been completed and the City has inspected AND accepted the Phase #1 Improvement(s) or the Phase #1 Major Improvement(s).

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

Payee / Description of Phase #1 Improvement or Phase #1 Major Improvement	Total Cost of Phase #1 Improvement or Phase #1 Major Improvement	Budgeted Cost of Phase #1 Improvement or Phase #1 Major Improvement	Amount to be paid from the Project Fund

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding and Acquisition Agreement, after receiving this Payment Request, the City is authorized to inspect the Phase #1 Improvement or Phase #1 Major Improvement (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

CADG CELINA 156, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the City approves the Certification for Payment and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from appropriate Project Fund account. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding and Acquisition Agreement, the Indenture, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Phase #1 Improvements or Phase #1 Major Improvements.

CITY OF CELINA, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT F
REDEMPTION AGREEMENT

Attachment: Celina - Chalk Hill PID No. 2 Phase #1 - Bond Ordinance WITH EXHIBITS (3-19 update) (Chalk Hill Bond Ordinance (Phase 1))

**AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND
WAIVER OF AGRICULTURAL VALUATION – CHALK HILL PUBLIC
IMPROVEMENT DISTRICT NO. 2**

This AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND WAIVER OF AGRICULTURAL VALUATION – CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 (this “Agreement”), dated March 23, 2018 (the “Effective Date”), by and among CADG Celina 156, LLC, a Texas limited liability company, (the “Developer”), the CITY OF CELINA, TEXAS (the “City”), a municipal corporation, and U.S. BANK, NATIONAL ASSOCIATION (the “Trustee”). The City, the Trustee, and the Developer are sometimes referred to herein individually as a “Party,” and together as the “Parties.”

RECITALS

A. WHEREAS, the Developer owns a total of approximately 38.866 acres of land located in Collin County, Texas, as described in the attached **Exhibit “A”** (the “Property”), which Property is located within the City’s corporate limits;

B. WHEREAS, the Developer desires to develop the Property as a residential development (the “Project”);

C. WHEREAS, the Developer proposes to construct certain public improvements and transfer those improvements to the City in accordance with the terms and provisions of (i) the Chalk Hill Public Improvement District No. 2 Phase #1 Improvements Construction, Funding, and Acquisition Agreement (the “Phase #1 Financing Agreement”), having an effective date of March 23, 2018, between the Developer and the City, and (ii) the Development Agreement, Chalk Hill Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement (the “Development Agreement”), having an effective date of October 13, 2017, and entered into by and between the Developer and the City;

D. WHEREAS, upon the petition of the Developer, on November 14, 2017, the City authorized the formation of the Chalk Hill Public Improvement District No. 2 (the “District”) on the Property in accordance with Chapter 372, Texas Local Government Code, as amended;

E. WHEREAS, the Property constitutes a portion of the land within the District;

F. WHEREAS, the City at the request, and with the consent, approval and agreement of the Developer, adopted Ordinance No. _____ on March 23, 2018, in accordance with Chapter 372 of the Texas Local Government Code, levying special assessments on the Property (the “Assessment Ordinance”) and adopting the Service and Assessment Plan (as defined in the Phase #1 Financing Agreement) that provides for the construction and financing of Authorized Improvements (as defined in the Service and Assessment Plan) for the benefit of Assessed Property (as herein defined) within the District pursuant to the Service and Assessment Plan, payable in whole or in part by and from the Assessments (as defined in the Service and Assessment Plan) levied against Assessed Property, as more specifically provided for in the Service and Assessment Plan;

G. WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in the Phase #1 Financing Agreement) issue, in multiple series, bonds for payment of costs associated with construction and/or acquisition of the Authorized Improvements included in the Service and Assessment Plan, as such plan may be amended from time to time;

H. WHEREAS, pursuant to the Service and Assessment Plan, the City will maintain the Phase #1 Improvements Assessment Roll (as defined in the Service and Assessment Plan) that identify all parcels of the District that are Assessed Property and all parcels that are not subject to an assessment (the “Non-Benefitted Property”);

I. WHEREAS, as the Property is developed, portions of the Assessed Property may be converted into Non-Benefitted Property and the City will update the Phase #1 Assessment Roll from time to time to identify Assessed Property and Non-Benefitted Property within the District;

J. WHEREAS, upon satisfaction of the conditions and in accordance with the terms set forth in the Phase #1 Financing Agreement and the Development Agreement, from the proceeds of the bonds the City issues in connection with the Authorized Improvements, the City will acquire and accept those certain Authorized Improvements provided for in the Phase #1 Financing Agreement and the Developer will be paid or reimbursed for all or a portion of the costs of acquisition, construction, and improvement of the Authorized Improvements; and

K. WHEREAS, as a condition precedent to the City’s performance of its obligations under the Phase #1 Financing Agreement, the Developer has agreed to execute this Agreement conveying all rights to redeem any portion of the Property that is subject to an Assessment and has an agricultural use valuation following a tax sale, and to execute and deliver into escrow with the Trustee multiple originals of waivers of agricultural use valuation in the form attached as **Exhibit “B”** hereto; and

L. WHEREAS, U.S. Bank, National Association is the trustee under the Indenture (as defined in the Phase #1 Financing Agreement).

NOW, THEREFORE, in consideration of the premises set forth above, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

(a) “Exempt Property” shall include any portion of the Property that is designated for agricultural use (which shall include, but not be limited to, any of the uses described in Section 23.51 of the Texas Tax Code, as amended) or is otherwise claimed for agricultural use by the owner thereof for ad valorem tax purposes pursuant to Section 23.41 of the Texas Tax Code or any other applicable statute, law or right.

(b) “Assessed Property” shall include any portion of the Property that is subject to an Assessment levied pursuant to the Assessment Ordinance and identified on the Phase #1 Assessment Roll maintained by the City.

(c) “Lender” shall mean Chambers Bank.

(d) “Non-Redeemable Property” shall be those portions of the Property that are Assessed Property and have an Exempt Property status at the time either the applicable ad valorem taxes become past due or at the time that the annual installment of the Assessment levied against such property becomes past due.

(e) “Trustee” means U.S. Bank, National Association, and any successor thereto permitted under the Indenture (as defined in the Phase #1 Financing Agreement).

SECTION 2. CONVEYANCE OF RIGHT OF REDEMPTION.

The Developer has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto the Trustee all rights that the Developer and its successors and assigns now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire Non-Redeemable Property following a foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended (“Tax Redemption Rights”).

TO HAVE AND TO HOLD the Tax Redemption Rights in the Non-Redeemable Property belonging in any way to the Developer, unto the Trustee, its successors and assigns, forever, subject to the Restrictions and Reservations set forth herein; and the Developer does hereby bind itself and its successors, assigns, and any person claiming by through or under the Developer to WARRANT AND FOREVER DEFEND all and singular, the Tax Redemption Rights in the Non-Redeemable Property unto the Trustee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof by, through, or under the Developer, but not otherwise, subject to the Restrictions and Reservations set forth in this Agreement.

Restrictions and Reservations

IT IS EXPRESSLY UNDERSTOOD AND AGREED that if all or a portion of the Non-Redeemable Property ceases to be Assessed Property, as shown on the Phase #1 Assessment Roll maintained by the City, then the owner of such land shall have the right to assume ownership of the Tax Redemption Rights for said portion of the Non-Redeemable Property. Upon request by an owner of land that is Non-Redeemable Property that has ceased to be Assessed Property, the City and the Trustee shall execute a Release from this Agreement in the form attached hereto as **Exhibit “C.”**

SECTION 3. RESTRICTION AGAINST REDEMPTION OF NON-REDEEMABLE PROPERTY

In the event that a court of competent jurisdiction enters a final judgment that the foregoing conveyance of Tax Redemption Rights is not effective, the Developer hereby absolutely, unconditionally and irrevocably waives, releases, relinquishes and surrenders forever, on behalf of itself and its successors and assigns, and agrees not to assert or exercise any and all Tax Redemption Rights it now has or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire any portion of the Property that is Non-Redeemable Property following a sale for failing to pay assessments under the Assessment Ordinance, foreclosure of a tax lien or sale, or a transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended.

SECTION 4. WAIVER OF AGRICULTURAL USE VALUATION.

(a) Delivery of Agricultural Use Waiver Into Escrow. Concurrently with the execution and delivery of this Agreement, the Developer has executed and has delivered or will promptly deliver to the Trustee to be held in escrow six (6) originals of the form attached hereto as **Exhibit “B”** (the “Agricultural Use Waiver”) waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to Non-Redeemable Property. The Agricultural Use Waiver shall be held in escrow, and shall only be released from escrow in accordance with the provisions of this Section 4.

(b) Authorization to File Agricultural Use Waiver.

(i) Prior to the Trustee taking any action described in subsection 4(b)(ii) below, the Trustee shall pay past due or delinquent taxes using funds in the Developer Property Tax Account of the Administrative Fund held under the Indenture. If the funds in the applicable Developer Property Tax Account of the Administrative Fund are not sufficient to pay all past due ad valorem taxes, including any accrued interest and penalties, then the Trustee shall notify the Developer and the Lender of such deficiency and provide the Developer and the Lender thirty (30) days to deliver to the Trustee the requisite amount of funds to pay all past due taxes and restore the applicable Developer Property Tax Account of the Administrative Fund.

(ii) In the event that any taxes secured by a lien against any portion of the Non-Redeemable Property have not been paid by March 1st following the year for which such taxes are levied, the Trustee shall provide the Lender notice of the deficiency and provide the Lender ten (10) days to cure said deficiency. If the Lender fails to cure the deficiency, Trustee shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds, as defined in the Phase #1 Financing Agreement, secured by the Indenture then outstanding) and the Developer hereby irrevocably authorizes the Trustee to, release the Agricultural Use Waiver from escrow and deliver same to the Collin County Tax Assessor/Collector or its successor. The Trustee shall, and the Developer further

authorizes the Trustee to, attach to the Agricultural Use Waiver a description of that portion of the Non-Redeemable Property for which taxes are delinquent; provided, the Trustee shall verify with the City the descriptions of the Non- Redeemable Property to be attached to such waiver. In the event that the Trustee receives notice that delinquent taxes and all penalties and interest have been paid prior to Trustee's transmittal of the Agricultural Use Waiver to the Collin County Tax Assessor/Collector or its successor, then Trustee shall not transmit the Waiver of Agricultural Use to the Collin County Tax Assessor/Collector and such waiver shall be returned to escrow. In the event that the number of Agricultural Use Waivers held by Trustee is less than three (3) and some portion of the Property is Non-Redeemable Property, the Developer agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by the Developer; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by the Developer, if the Developer does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee. Notwithstanding anything to the contrary contained herein, the Lender is under no obligation to cure any deficiency.

(iii) Except as provided in Section 4(b)(iv), in the event that any Assessments levied by the City pursuant to the Assessment Ordinance that are secured by a lien against any portion of the Non-Redeemable Property have not been paid by March 1st following the year for which such Assessments are levied (or ten (10) days before such Assessments become delinquent, if earlier), the Trustee shall provide the Lender notice of the failure to pay Assessments and provide the Lender ten (10) days to cure such failure. If the Lender fails to cure, the Trustee shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds secured by the Indenture then outstanding) and the Developer hereby irrevocably authorizes the Trustee to, release the Agricultural Use Waiver from escrow and deliver same to the Collin County Tax Assessor/Collector or its successor. The Trustee shall, and the Developer further authorizes the Trustee to, attach to the Agricultural Use Waiver a description of that portion of the Non-Redeemable Property for which Assessments are delinquent. In the event that the number of Agricultural Use Waivers held by Trustee is less than three (3) and some portion of the Property is Non- Redeemable, the Developer agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by the Developer; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by the Developer, if the Developer does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30)

days of a written request by the Trustee. Notwithstanding anything to the contrary contained herein, the Lender is under no obligation to cure the failure to pay.

(iv) If, by case law, statute or an opinion of the Attorney General of the State of Texas it is determined that Tax Redemption Rights do not apply to the Assessments levied on behalf of the District, then Section 4(b)(iii) shall immediately become non-operative and non-effective upon Trustee's receipt of written notice of such decision, statute or opinion.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

The Developer each hereby represents and warrants to the City as follows:

(a) The Developer represents and warrants that it is a limited liability company duly organized and validly existing under the laws of the State of Texas, is qualified to do business in and is in good standing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Developer represents and warrants that it has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Developer.

(c) The Developer represents and warrants that this Agreement is a valid and enforceable obligation of the Developer and is enforceable against the Developer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

SECTION 6. DEFAULT AND REMEDIES.

In the event that the Developer shall violate, or indicate that the Developer intends to violate, any of the terms and provisions set forth in this Agreement, in addition to any other remedies available at law or in equity, the Trustee shall have the right to sue for and obtain a prohibitive or mandatory injunction or any other equitable remedy to prevent the breach of, or to enforce the observance of, the terms of this Agreement. The foregoing remedies shall be cumulative with, in addition to, and non-exclusive of one another, and the exercise of any one remedy shall not bar the exercise of any other remedy. In the event of any legal action commenced by the Trustee to enforce the obligations of the Developer hereunder, the Trustee shall be entitled to recover its reasonable attorney's fees and costs. The Trustee shall provide ten (10) days' notice to the Lender prior to taking any enforcement action.

SECTION 7. MISCELLANEOUS.

(a) Term of Agreement. This Agreement shall continue in full force and effect so long as any obligations remain outstanding under the Indenture.

(b) Headings Descriptive. The headings of the several Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

(c) Interpretation. The singular number includes the plural and the masculine gender includes the feminine and neuter.

(d) Covenants Run with the Land; Transfers of the Property. This Agreement shall be recorded in the deed records of Collin County and shall run with the land and the ownership of any Non-Redeemable Property and will act as an appurtenant burden on the Non-Redeemable Property and shall be binding upon the Non- Redeemable Property and all owners, tenants, subtenants, licensees, assignees and occupants thereof and any other party having any interest therein. Upon the acquisition by any party of any interest in the Non-Redeemable Property, such party shall automatically and without further action by such party or any other party be deemed to have assumed and agreed to be bound by this Agreement. Without limiting the foregoing, any person who acquires a fee interest in any portion of the Non-Redeemable Property (“Subsequent Owner”) shall, and hereby shall be deemed to have agreed to, (i) execute and record in the Real Property Records of Collin County, Texas, promptly following the recording of the conveyance instrument, an agreement in the form attached hereto as **Exhibit “D”** (the “Acknowledgment and Agreement”) to acknowledge that such person is subject to the terms of this Agreement, expressly agreeing to comply with the terms and provisions of this Agreement applicable to the portion of the Non-Redeemable Property acquired by such person, and waiving such person’s right to redeem such portion of the Non-Redeemable Property, and (ii) execute and deliver to the Trustee, concurrently with the recording of the Acknowledgment and Agreement, six (6) Waiver of Special Appraisal Agricultural Use Waivers in the form attached hereto as **Exhibit “B”** for that portion of the Non-Redeemable Property acquired by such person. In the event that the number of Agricultural Use Waivers signed by a Subsequent Owner that are held by Trustee is less than three (3) and some portion of the Property owned by the Subsequent Owner is Non-Redeemable Property, such Subsequent Owner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by such Subsequent Owner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by a Subsequent Owner that has not paid taxes or Assessments as required by this Agreement, if said Subsequent Owner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee.

(e) Material Agreement. The Developer acknowledges that the agreements and obligations of the Parties set forth herein are a material inducement to the City’s entering into the Phase #1 Financing Agreement, that the Developer is represented by counsel of its own choice with respect to this Agreement, and that the Developer is entering into this Agreement freely and voluntarily and not acting under coercion or duress.

(f) Binding Effect. This Agreement shall be binding upon the Developer and the successors, receivers, trustees and assigns of the Developer, including all successors in interest of the Developer in and to all or any part of the Property, and shall inure to the benefit of the City, the Trustee and the successors and assigns of the Trustee.

(g) Amendments. This Agreement may be modified or amended only by a written agreement executed by the Trustee, the City, and each owner of that portion of the Property to be affected by such amendment and recorded in the Real Property Records of Collin County, Texas.

(h) Severability; No Waiver. If any provision of this Agreement is held invalid or unenforceable, no other provision of this Agreement will be affected by such holding and all other provisions of this Agreement will continue in full force and effect. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement will not be deemed a waiver of such requirement or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

(i) Notices. Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to the City:	City of Celina Attn: City Manager 107 S. Main Street Celina, Texas 76227
With a copy to:	Messer, Rockefeller a& Fort, PLLC Attn: Julie Fort 6371 Preston Road, Suite 200 Frisco, Texas 75034
If to the Developer:	CADG Celina 156, LLC. c/o Centurion American Attention: Mehrdad Moayed 1800 Valley View Lane, Suite 000 Farmers Branch, Texas 75234
With a copy to:	Miklos Law, PLLC Attn: J. Prabha Cinclair

1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234

If to the Trustee: U.S. Bank, National Association
Attn: Corporate Trust Services
13737 Noel Road, Suite 800
Dallas, Texas 75006

If to the Lender: Chambers Bank
Attn: Chad Stanley
901 Main Street
Danville, Arkansas 72833

(j) Third Party Beneficiaries. The provisions of this Agreement are and will be for the benefit of the Parties, the Trustee and the holders of the Bonds only and are not for the benefit of any other third party and, accordingly, no other third party shall have the right to enforce the provisions of this Agreement.

(k) Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

(l) Further Assurances. The Parties agree to take all further action and execute and deliver to the City such additional documents as may be necessary or as the City may reasonably request to carry out the purposes of this Agreement.

(m) Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed in accordance with the laws of the State of Texas (without giving effect to the principles thereof relating to conflicts of law).

(n) Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit “A” – Description of the Property

Exhibit “B” – Form of Agricultural Use Waiver

Exhibit “C” – Form of Release From Agreement

Exhibit “D” – Acknowledgment of Assumption of Waiver of Right of Redemption

[Signature pages follow]

IN WITNESS WHEREOF, the Parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives on the dates set forth in the acknowledgements below, to be effective as of the day and year first above written.

CITY OF CELINA, TEXAS,
a home rule city and Texas municipal corporation

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

ATTEST:

Vicki Faulkner, City Secretary

THE STATE OF TEXAS §

COUNTY OF COLLIN §

This instrument was acknowledged before me on _____, 2018, by Chad Anderson, the Mayor Pro Tem, and Vicki Faulkner, the City Secretary, of the City of Celina, Texas, a home rule city and Texas municipal corporation, on behalf of said city and municipal corporation.

Notary Public, State of Texas

**CADG Celina 156, 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 Celina 156, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this day of _____, 2018,
by _____, an authorized officer of U.S. Bank National Association, as
Trustee, on behalf of said entity.

Notary Public, State of Texas

Exhibit "A"

BEING all those lots, tracts or parcels of land situated in the George W. Eastes Survey, Abstract Number 299, City of Celina, Collin County, Texas, and being a part of that certain tract of land described by deed to CADG CELINA 156, LLC, recorded under Document Number 20141015001128280, Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2 inch iron rod found for the most northwest corner of a tract of land described to A.P. Sommerhalder, LLC, by deed recorded in document number 20150625000764600, Deed Records, Collin County, Texas, and the southwest corner of that certain tract of land described by deed to Preston 51 CR 102, LP, recorded under Document Number 20071120001569950 of the Official Public Records of Collin County, Texas, and being in the east line of State Highway No. 289, also known as Preston Road, having a variable width right-of-way, and being within County Road 102;

THENCE South 89 degrees 43 minutes 35 seconds East, within said County Road 102 and with the north line of said A. P. Sommerhalder tract and the south line of said Preston 51 CR 102 tract, a distance of 737.08 feet to a 1/2 inch iron rod with a yellow cap stamped "ARTHUR SURVEYING COMPANY" (ASC) set for corner, being the POINT OF BEGINNING;

THENCE South 89 degrees 43 minutes 35 seconds East, continuing within said County Road 102, a distance of 1135.39 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner;

THENCE South 00 degrees 00 minutes 00 seconds East, within said CADG Celina 156 tract, a distance of 169.25 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner;

THENCE North 90 degrees 00 minutes 00 seconds East, continuing within said CADG Celina 156 tract, a distance of 100.00 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner;

THENCE South 00 degrees 00 minutes 00 seconds East, continuing within said CADG Celina 156 tract, a distance of 385.27 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner;

THENCE South 11 degrees 19 minutes 03 seconds West, continuing within said CADG Celina 156 tract, a distance of 46.47 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner;

THENCE North 90 degrees 00 minutes 00 seconds West, continuing within said CADG Celina 156 tract, a distance of 63.85 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner, being at the beginning of a tangent curve to the left with a radius of 25.00 feet, with a delta angle of 29 degrees 09 minutes 06 seconds, whose chord bears South 75 degrees 25 minutes 27 seconds West, a distance of 12.58 feet;

THENCE continuing within said CADG Celina 156 tract and with said curve, an arc length of 12.72 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner, being at the beginning of a reverse curve to the right having a radius of 50.00 feet, with a delta angle of 53 degrees 12 minutes 41 seconds, whose chord bears South 87 degrees 27 minutes 14 seconds West, a distance of 44.78 feet;

THENCE continuing within said CADG Celina 156 tract and with said curve, an arc length of 46.44 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner;

THENCE South 39 degrees 39 minutes 41 seconds West, continuing within said CADG Celina 156 tract, a distance of 187.97 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner;

THENCE South 15 degrees 27 minutes 01 seconds East, continuing within said CADG Celina 156 tract, a distance of 13.81 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner, being at the beginning of a non-tangent curve to the right having a radius of 805.67 feet, with a delta angle of 15 degrees 42 minutes 41 seconds, whose chord bears North 82 degrees 11 minutes 00 seconds East, a distance of 220.24 feet;

THENCE continuing within said CADG Celina 156 tract and with said curve, an arc length of 220.93 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner;

THENCE North 89 degrees 08 minutes 14 Seconds East, continuing within said CADG Celina 156 tract, a distance of 56.24 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner;

THENCE South 00 degrees 57 minutes 44 seconds East, continuing within said CADG Celina 156 tract, a distance of 50.06 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner in the north line of a tract of land described by deed to Four Winds Enterprises, Ltd., recorded in Volume 5476, Page 8080, Official Public Records of Collin County, Texas;

THENCE South 89 degrees 08 minutes 14 seconds West, with the north line of said Four Winds Enterprises, Ltd. tract, a distance of 56.68 feet to a 1/2 inch iron rod found for the northwest corner of said Four Winds Enterprises, Ltd. tract;

THENCE South 00 degrees 08 minutes 33 seconds West, with the west line of said Four Winds Enterprises, Ltd. tract, a distance of 45.11 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner in the west line thereof, and at the beginning of a non-tangent curve to the left having a radius of 708.00 feet, with a delta angle of 36 degrees 15 minutes 41 seconds, whose chord bears South 72 degrees 00 minutes 02 seconds West, a distance of 440.64 feet;

THENCE continuing within said CADG Celina 156 tract and with said non-tangent curve, an arc length of 4448.08 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner;

THENCE South 53 degrees 52 minutes 12 seconds West, continuing within said CADG Celina 156 tract, a distance of 1001.46 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner on the east line of a tract of land described to Sutton Field Investments, LLC by deed recorded in Document No. 20150305000240910, Official Public Records of Collin County, Texas;

THENCE North 01 degrees 31 minutes 38 seconds West, with the east line of said Sutton Field Investments, LLC tract and with the east line of a tract of land described to Old Celina, Ltd. By deed recorded in Document No. 20150305000240780 of the Official Public Records of Collin County, Texas, and continuing for a total distance of 403.65 feet to a 1/2 inch iron rod with a cap stamped "ASC" set for the northeast corner of said Old Celina, Ltd. tract;

THENCE North 87 degrees 49 minutes 58 seconds West, continuing within the north line of said Old Celina, Ltd. tract, a distance of 793.07 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for the Northwest corner of said Old Celina, Ltd. tract and lying on the east line of said Preston Road, at the beginning of a non-tangent curve to the left having a radius of 11540.10 feet, with a delta angle of 02 degrees 10 minutes 16 seconds, whose chord bears North 05 degrees 22 minutes 07 seconds East, a distance of 437.28 feet;

THENCE continuing with the east line of said Preston Road and with said curve, an arc length of 437.31 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for the westernmost northwest corner of said CADG Celina 156 tract and the southwest corner of said A.P. Sommerhalder, LLC tract;

THENCE South 85 degrees 39 minutes 30 seconds East, with the westernmost north line of said CADG Celina 156 tract and the south line of said A.P. Sommerhalder, LLC. tract, a distance of 763.61 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for the southeast corner of said A.P. Sommerhalder, LLC. tract and an interior corner of said CADG Celina 156 tract;

THENCE North 01 degrees 37 minutes 07 seconds West, with the northernmost west line of said CADG Celina 156 tract and the east line of said A.P. Sommerhalder, LLC. tract, a distance of 749.79 feet to the POINT OF BEGINNING, and containing 38.866 acres of land, more or less.

Exhibit “B”**WAIVER OF SPECIAL APPRAISAL**

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
 COUNTY OF _____ §

THAT this Waiver of Special Appraisal (this “Waiver”) is made and entered into as of the _____ day of _____, 20____, for the benefit of the City of Celina, Texas (the “City”) and the Trustee (as defined below), by (“Landowner,” whether one or more), owner of the property described on Schedule 1 hereto (the “Property”), which Property is located within the Chalk Hill Public Improvement District No. 2 (the “District”), a public improvement district of the City, pursuant to Texas Tax Code Ann. §23.20.

RECITALS

A. The City has the right to levy special assessments on land located within the District pursuant to a separate ordinance enacted by the City Council of the City, which assessments are intended to provide for the financing of certain improvements for the benefit of the District.

B. The purpose of the City in selling its special assessments revenue bonds is to provide, among other things, financing for certain improvements to serve the District (the “Facilities”).

C. In furtherance of this purpose, the City has agreed to reimburse Landowner (or has reimbursed Landowner’s predecessor in interest) for payments made for certain Authorized Improvements, subject to the execution and delivery by Landowner of this Waiver.

D. Landowner acknowledges that the election by Landowner to claim agricultural use exemptions or valuations arising under Section 34.21 of the Texas Tax Code, as amended (collectively, the “Exemptions”), but not including any residential homestead exemption, for the Property would be detrimental to the property valuation base and may significantly impair the ability of the City to meet its debt obligations for its special assessments revenue bonds.

WAIVER

Section 1. Waiver of Exemptions. Landowner, on behalf of itself, its successors and assigns, (i) irrevocably waives its right to claim any of the Exemptions with respect to the Property for a period of thirty (30) years beginning on the date this Waiver is received by the Collin County Tax Assessor/Collector; (ii) authorizes the City and/or U.S. Bank National Association (the “Trustee”) to file this Waiver with the Chief Appraiser of the Collin County Appraisal District, or its successor, in accordance with the terms of the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Chalk Hill Public Improvement District No. 2 having an effective date of March 23, 2018; and (iii) covenants that it will not make any claim for a special appraisal except on written authorization of the Trustee. Landowner acknowledges that it may have the right under Article 8 of the Texas Constitution to assert some or all of the Exemptions which it

is waiving herein, and agrees that it shall be estopped from claiming such Exemptions for so long as this Waiver shall remain in effect; provided, however, it is expressly acknowledged and agreed by Landowner that mechanisms for single family residences now available or to be made available by any change in Texas laws for the reduction of ad valorem tax liability or of valuation for the purposes of ad valorem taxes or other assessments with respect to real property, such as exemptions for homesteads, disabled veterans, and elderly homesteads, are not included in the definition of Exemptions and are expressly allowed, to the extent such exemptions would be otherwise available, with respect to the Property.

Section 2. Disclosures of Lienholder. Landowner represents and warrants that the lienholder executing the consent hereto, is the only lienholder on the Property.

Section 3. Reliance on Waiver. Landowner or its predecessor in interest has induced the City into issuing bonds based, in significant part, on the covenants hereunder and the City has agreed to issue such bonds in reliance upon such covenants.

Section 4. Covenants to Run with Land. The terms and provisions hereof shall be deemed to be restrictive covenants encumbering and running with the Property and shall be binding upon the Landowner and its successors and assigns. In particular, each successive purchaser of the Property shall, upon purchase thereof (or any portion thereof), waive its right to claim any of the Exemptions with respect to the Property (or such portion thereof) for so long as this Waiver shall remain in effect.

Section 5. Enforceability. The covenants and restrictions binding the Property hereunder shall be enforceable only by the City, the Trustee and their respective successors and assigns. This Waiver is for the sole benefit of the parties hereto, and of the Trustee, and no other third party is intended to be a beneficiary of this Waiver.

Section 6. Termination. This Waiver shall continue in full force and effect until the earlier to occur of the following: (i) thirty (30) years; or (ii) such time as the Trustee approves a revocation in writing.

Section 7. Severability. Every provision of this Waiver is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable to the maximum extent permitted by law, it being the intent of the parties hereto to give full force and effect to the agreements made hereunder to the maximum extent permitted by law.

Section 8. Headings. The Section headings are included in this Waiver for convenience and reference only, and shall not be deemed to affect the substantive provisions of this Waiver.

Section 9. Remedies. If Landowner breaches its obligations hereunder, the Trustee or the City (on behalf of the Trustee), in addition to all other remedies set forth herein or otherwise available at law or in equity, shall be entitled to recover from Landowner the amount of assessments that would have been due to the City had Landowner complied with this Waiver. Such payment will be due and payable, and will incur penalties and charges under the same terms as if the payment had been an assessment obligation of Landowner to City.

IN WITNESS WHEREOF, the parties hereto have executed this Waiver in one or more counterparts, each of which shall be of equal dignity, as of the date and year set forth in the acknowledgements below, to be effective for all purposes as of the date first set forth above.

LANDOWNER:

THE STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this day of _____, 20____, by _____, the _____ of _____, on behalf of said entity.

Notary Public, State of _____

CONSENT OF LIENHOLDER

_____ (“Lienholder”), being a lienholder on the Property, hereby consents to this Waiver of Special Appraisal (the “Waiver”) and accepts and agrees to the terms and provisions of this Waiver; provided that Lienholder is provided notice and an opportunity to cure pursuant to Section 4 of the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation.

LIENHOLDER:

By: _____

Name: _____

Title: _____

THE STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 20____, by _____, the _____ of _____, on behalf of said entity.

Notary Public, State of _____

After recording, return to:

* Attached description of the Property as **Schedule 1** prior to executing.

Exhibit “C”**RELEASE OF REDEMPTION AGREEMENT**

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
 COUNTY OF _____ §

WHEREAS, the land described in the attached Exhibit “A” (“Property”) is located within the Chalk Hill Public Improvement District No. 2 (“District”);

WHEREAS, _____ is the owner of the Property (“Owner”);

WHEREAS, the Property is subject to the terms of the Agreement Regarding Conveyance of Right of Redemption And Waiver of Agricultural Valuation – Chalk Hill Public Improvement District No. 2 with an effective date of _____, 2018, and recorded in Document No. _____, Official Public Records of Collin County, Texas (“Redemption Agreement”);

WHEREAS, the City of Celina and the Trustee are parties to the Redemption Agreement;

WHEREAS, pursuant to the Redemption Agreement certain rights to redeem the Property under the Texas Tax Code (as described in the Redemption Agreement) were conveyed to the Trustee (defined below);

WHEREAS, The U.S. Bank, National Association, is the Trustee, as defined in the Redemption Agreement;

WHEREAS, pursuant to Section 4 of the Redemption Agreement, the Trustee is authorized to deliver a Waiver of Agricultural Use to the appropriate Tax Assessor/Collector office in the event that delinquent taxes or Special Assessments are owed on the Property;

WHEREAS, pursuant to Section 2 of the Redemption Agreement, the City and the Trustee are authorized to release property from the terms of the Redemption Agreement; and

WHEREAS, the City and the Trustee have determined that the Property should be released from the terms of the Redemption Agreement;

NOW, THEREFORE, for and in consideration of the above stated premises, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged by the City of Celina and the Trustee, the City of Celina and the Trustee do hereby forever release and discharge the Property from all terms, restrictions, covenants and conditions of the Redemption Agreement in its entirety, and release any and all rights that the City of Celina and

the Trustee had, have or may have by virtue of the Redemption Agreement. In no event shall this release have any impact on land within the District other than the Property described in the attached Exhibit "A".

Trustee has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto Owner all rights that Trustee and its successors and assigns now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise in the "Tax Redemption Rights," as defined in the Redemption Agreement with respect to the Property described in the attached Exhibit "A".

TO HAVE AND TO HOLD the Tax Redemption Rights in the Property, described in the attached Exhibit "A", belonging in any way to Trustee, unto the Owner, its successors and assigns, forever, and Trustee does hereby bind itself and its respective successors and assigns, to WARRANT AND FOREVER DEFEND all and singular, the Tax Redemption Rights in the Property, described in the attached Exhibit "A", unto the Owner, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof by, through, or under Trustee, but not otherwise.

[SIGNATURE PAGE FOLLOWS]

WITNESS THE EXECUTION HEREOF this the ____ day of _____, 20__.

City of Celina

By:_____

THE STATE OF TEXAS §

§

COUNTY OF COLLIN §

This instrument was acknowledged before me on _____, 20__, by
_____, the _____ of the City of Celina, Texas, a home rule city
and Texas municipal corporation, on behalf of said city and municipal corporation.

Notary Public, State of Texas

WITNESS THE EXECUTION HEREOF this the ____ day of _____, 20__.

Trustee

By:_____

THE STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____,
20__, by _____, the _____ of _____,
on behalf of said entity.

Notary Public, State of _____

* Attached description of the Land as **Exhibit A** prior to recording.

After Recording Mail to:

EXHIBIT “D”**ACKNOWLEDGMENT OF ASSUMPTION AND CONVEYANCE OF RIGHT OF REDEMPTION**

This Acknowledgment of Assumption and Conveyance of Right of Redemption (this “Acknowledgment and Agreement”) is entered into effective _____, 20__ by _____, a _____ (whether one or more, the “Buyer”) in favor of the City of Celina, Texas (the “City”) and the Trustee, as such term is defined in the Redemption Agreement (defined below).

R E C I T A L S

A. WHEREAS, Buyer has purchased and acquired certain land described on **Exhibit A** attached hereto (the “Land”); and

B. WHEREAS, the Land is subject to that certain Agreement Regarding Conveyance of Right of Redemption and Wavier of Agricultural Valuation – Chalk Hill Public Improvement District No. 2, dated on or about _____, 2018 (the “Redemption Agreement”); and

C. WHEREAS, pursuant to the requirements of the Redemption Agreement, it is a condition to the acquisition of the Land that the Buyer execute this Acknowledgment and Agreement and record same in the Real Property Records of Collin County, Texas; and

D. WHEREAS, the purchase price paid by Buyer for the Property was calculated and determined, in part, based upon the benefits and restrictions applicable to the Land and arising in connection with the Redemption Agreement and the other agreements executed in connection therewith and the requirement that Buyer execute this Acknowledgment and Agreement.

NOW, THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer hereby represents, warrants and agrees as follows:

1. Buyer acknowledges that the Redemption Agreement continues to affect the Land, and that Buyer has assumed, and Buyer hereby does assume and agree to perform, the obligations of the Developer (as such term is defined in the Redemption Agreement) under the Redemption Agreement with respect to the Land.

2. Buyer hereby grants, sells, conveys and assigns to the Trustee all rights Buyer and its successors and assigns now have or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire, following any foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, any portion of the Land that constitutes Exempt Property (as defined in the Redemption Agreement), including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended but excluding any redemption rights arising out of the homestead status of the Property. In the event that the foregoing conveyance is not effective, Buyer hereby absolutely,

unconditionally and irrevocably waives, releases, relinquishes and surrenders forever, on behalf of itself and its successors and assigns, and agrees not to assert or exercise any and all rights it now has or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire, following any foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, any portion of the Land that constitutes Exempt Property, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended.

3. Concurrently with the execution and delivery of this Acknowledgment and Agreement, Buyer has executed and has delivered (or will promptly deliver) to the Trustee to be held in escrow a Waiver of Special Appraisal in the form attached as **Exhibit B** to the Redemption Agreement waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to the Land. Such agreement shall be held in, and released from, escrow in accordance with the provisions of Section 4 of the Redemption Agreement.

EXECUTED to be effective as of the date first above written.

[SIGNATURE PAGES FOLLOW]

BUYER:

THE STATE OF TEXAS §
 §
 COUNTY OF _____ §

This document was acknowledged before me on _____, 20__, by
 _____, the _____ of _____, a _____,
 on behalf of said entity.

 Notary Public in and for the State of Texas

* Attached description of the Land as **Exhibit A** prior to recording.



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: March 23, 2018
Re: Chalk Hill Levy & Assessment Ordinance and Final SAP (Phases 2-3)

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 Assessment and Phases #2 – 3 Major Improvement Assessment Roll for the Chalk Hill Public Improvement District No. 2; making a finding of Special Benefit to the property in the District, levying special 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 – 3 Assessments, in accordance with Chapter 372, Texas Local Government Code, as amended; and providing penalties and interest on delinquent assessments. (Chalk Hill Ph 2-3 SAP) (DeBuff)

Background Information:

This item approves the final Service and Assessment Plan, and levies special assessments against property in Phases #2-3 of Chalk Hill Public Improvement District.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This ordinance has been reviewed by the city attorney.

Supporting Documents:

- Proposed ordinance

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS ACCEPTING AND APPROVING A SERVICE AND ASSESSMENT PLAN AND PHASES #2 – 3 MAJOR IMPROVEMENT ASSESSMENT ROLL FOR THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE DISTRICT; LEVYING SPECIAL 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 – 3 ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on November 14, 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 within the City; and

WHEREAS, the petition satisfied the requirements of the PID Act because it contained the signatures of: (1) 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 (2) the record owners of real property liable for assessment who (A) constitute more than fifty percent of all record owners of property that is liable for assessment under the proposal, or (B) 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 December 12, 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. 2017-212R (the “Authorization Resolution”) adopted by a majority of the members of the City Council, authorized and created the Chalk Hill Public Improvement District No. 2 (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 December 12, 2017, the Council adopted a resolution accepting the preliminary service and assessment plan, including proposed assessment rolls; calling for a

public hearing to consider proposed assessments to be levied against assessable property within the District; authorizing and directing the City Secretary of the City to publish notice of a public hearing to consider the levying of assessments against the property within the District (the "Levy and Assessment Hearing"); authorizing and directing the mailing of notice of the Levy and Assessment Hearing to owners of property liable for assessment; and directing related action; and

WHEREAS, on December 13, 2017 the City Secretary filed the assessment roll specified in the preliminary service and assessment plan and made the same available for public inspection; and

WHEREAS, the City Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Levy and Assessment Hearing on December 22, 2017 in *The Celina Record*, a newspaper of general circulation in the City; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, mailed the notice of the Levy and Assessment Hearing to the last known address of the owners of the property liable for the Phases #2 – 3 Assessments; and

WHEREAS, on February 13, 2018, the City Council convened the Levy and Assessment Hearing and recessed the Levy and Assessment Hearing until March 23, 2018; and

WHEREAS, on March 23, 2018, the City Council reconvened the Levy and Assessment Hearing 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 assessment roll, and the proposed assessments, and to offer testimony pertinent to any issue presented on the amount of the assessments, the allocation of the costs of the Phases #2 – 3 Major Improvement Projects to be undertaken for the benefit of the District (the "Phases #2 - 3 Major Improvement Projects"), the purposes of the Phases #2 – 3 Assessments, the special benefits of the Phases #2 - 3 Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Phases #2 – 3 Assessments; and

WHEREAS, the City Council finds and determines that the Phases #2 – 3 Assessment Roll and the Chalk Hill Public Improvement District No. 2 Service and Assessment Plan, dated March 23, 2018 substantially in the form attached hereto as **Exhibit A**, which final form shall be approved by the City Manager and the City's land use attorney prior to execution (the "Service and Assessment Plan"), and which is incorporated herein for all purposes, should be approved and that the Phases #2 – 3 Assessments for the Phases #2 – 3 Assessed Property (as defined in the Service and Assessment Plan) should be levied as provided in this Ordinance and the Service and Assessment Plan and the Phases #2 – 3 Major Improvement Assessment Roll attached thereto as Appendix D (the "Phases #2 – 3 Assessment Roll"); and

WHEREAS, the City Council further finds that there were no objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the costs of the Authorized Improvements as described in the Service and Assessment Plan, which Authorized Improvements include the Phases #2 – 3 Major Improvement Projects, the

Phases #2 – 3 Assessment Roll, and the levy of the Phases #2 – 3 Assessments, all as described in the Service and Assessment Plan; and

WHEREAS, 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, have indicated their approval and acceptance the Service and Assessment Plan, of the Phases #2 – 3 Assessment Roll, this Ordinance and their approval of the levy of the Phases #2 – 3 Assessments against their property located within the District, and their agreement to pay the Phases #2 – 3 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; by their testimony at the Levy and Assessment Hearing or otherwise; 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, including the preambles to this Ordinance, have the meanings ascribed thereto as set forth in the Service and Assessment Plan.

Section 2. Findings.

The findings and determinations set forth in the preambles hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section. The City Council hereby finds, determines, and ordains, as follows:

(a) The apportionment of the costs of the Phases #2 – 3 Major Improvement Projects (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 Phases #2 – 3 Major Improvement Projects 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 Phases #2 – 3 Major Improvement Projects;

(c) The Service and Assessment Plan apportions the cost(s) of the Phases #2 – 3 Major Improvement Projects to be assessed against the property in Phases #2 –

3 of the District and such apportionment is made on the basis of special benefits accruing to the property because of the Phases #2 – 3 Major Improvement Projects;

(d) All of the real property in Phases #2 – 3 of the District which is being assessed in the amounts shown in the Phases #2 – 3 Assessment Roll will be benefited by the Phases #2 – 3 Major Improvement Projects proposed to be constructed as described in the Service and Assessment Plan, and each assessed Parcel will receive special benefits in each year equal to or greater than each annual Phases #2 – 3 Assessments and will receive special benefits during the term of the Phases #2 – 3 Assessments equal to or greater than the total amount assessed;

(e) The method of apportionment of the costs of the Phases #2 – 3 Major Improvement Projects and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the costs of the Phases #2 – 3 Major Improvement Projects and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the 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 – 3 Assessment Roll should be approved as the Phases #2 – 3 Assessment Roll for the District;

(h) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Phases #2 – 3 Assessments, interest on Annual Installments, interest and penalties on delinquent Phases #2 – 3 Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Phases #2 – 3 Assessments should be approved and will expedite collection of the Phases #2 – 3 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 – 3 Assessment Roll.

The Phases #2 – 3 Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Phases #2 – 3 Assessment Roll of the District.

Section 5. Levy and Payment of Phases #2 – 3 Assessments for Costs of the Phases #2 – 3 Major Improvement Projects.

(a) The City Council hereby levies an assessment on each Parcel of property (excluding Non-Benefitted Property) located within Phases #2 – 3 of the District, as shown and described in the Service and Assessment Plan and the Phases #2 – 3 Assessment Roll, in the respective amounts shown on the Phases #2 – 3 Assessment Roll as a special assessment on the properties set forth in the Phases #2 – 3 Assessment Roll.

(b) The levy of the Phases #2 – 3 Assessments shall be effective on the date of execution of this Ordinance levying Phases #2 – 3 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 – 3 Assessments shall be as described in the Service and Assessment Plan and the PID Act.

(d) Each Phases #2 – 3 Assessment may be paid in a lump sum at any time or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Phases #2 – 3 Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.

(f) Each Annual Installment shall be collected each year in the manner set forth in the Service and Assessment Plan.

(g) The Administrative Expenses for Phases #2 – 3 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 costs of the Phases #2 – 3 Major Improvement Projects and Administrative Expenses are set forth in the Service and Assessment Plan.

Section 7. Penalties and Interest on Delinquent Phases #2 – 3 Assessments.

Delinquent Phases #2 – 3 Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

Section 8. Prepayments of Phases #2 – 3 Assessments.

As provided in Section __ of the Service and Assessment Plan, the owner of any Phases #2 – 3 Assessed Property may prepay the Phases #2 - 3 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 – 3 Assessed Property, including without limitation such Landowners' obligations related to payment of the Phases #2 – 3 Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Phases #2 – 3 Assessments and the Annual Installments thereof which are levied hereby shall be binding upon the Assessed Parties, as the owners of Phases #2 – 3 Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Phases #2 – 3 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 – 3 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 – 3 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 – 3 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 – 3 Assessment Roll, to be recorded in the real property records of Collin County. The City Secretary is further directed to similarly file each Annual Service Plan Update 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 – 3 Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage and adoption hereof.

[Remainder of Page Intentionally Left Blank; Signatures to Follow]

PASSED AND ADOPTED, this _____, 2018

CITY OF CELINA, TEXAS

Mayor Pro Tem

ATTEST:

City Secretary

(City Seal)

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____
2018 by Chad Anderson and Vicki Faulkner, Mayor Pro Tem and Secretary, respectively, of the
City of Celina, Texas on behalf of said City.

(SEAL)

Notary Public, State of Texas

Attachment: Chalk Hill PID No. 2 Phase 2-3 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phases 2-3))

EXHIBIT A

Service and Assessment Plan

Attachment: Chalk Hill PID No. 2 Phase 2-3 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phases 2-3))

Draft

CHALK HILL
PUBLIC IMPROVEMENT DISTRICT NO. 2
SERVICE AND ASSESSMENT PLAN

MARCH 23, 2018

MuniCap

v5.0

Attachment: Chalk Hill PID No. 2 Phase 2-3 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phases 2-3))

CHALK HILL PUBLIC IMPROVEMENT DISTRICT No. 2

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	Phases #2–3 Major Improvement Assessment Roll
Appendix E	Phase #1 Assessment Roll

Section I PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On December 12, 2017 (the “Creation Date”) the City Council of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2017-212R approving and authorizing the creation of the Chalk Hill Improvement District No. 2 (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 Chalk Hill Public Improvement District No. 2 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 D and E 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.

“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 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.

“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 D and Appendix E, 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 and Delinquency Reserve 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 – 3 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, an Assessment Roll for Phases #2 - 3 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 CADG Celina 156, LLC, a Texas limited liability company.

“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” 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 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 E.

“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 E, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phase #1 Bonds” mean those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 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 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 - 3” 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 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, which are described in Section III.

“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 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 D, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of 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 2018 (Chalk Hill Public Improvement District No. 2 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 #43” means Planned Development District, #43 passed and approved by the City pursuant to Ordinance No 2010-26 dated as of April 12, 2010.

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

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

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

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

“TIRZ No. 10” means the Tax Increment Reinvestment Zone No. 10, City of Celina, Texas.

“TIRZ Credit” means, for each Parcel, the prorated amount of TIRZ Revenues calculated pursuant to Section VI 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. 10 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. 10 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 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 94.827 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 441 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (441) is based upon the proposed development plan.

B. Property Included in Phase #1 and Phases #2 - 3

Phase #1 consists of approximately 38.866 acres and is projected to consist of 157 single family residential units, to be developed as Phase #1, as further described in Section III. Phases # 2 - 3 consist of approximately 55.961 acres and are projected to consist of approximately 284 residential units. A map of the property within Phase #1 and Phases #2 – 3 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 D and Appendix E.

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 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:

The major roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Distribution System Improvements:

The major water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with 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 within 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	\$836,016
Water distribution system improvements	\$260,853
Sanitary sewer collection system improvements	\$1,748,283
Storm drainage collection system improvements	\$550,725
Soft costs including PID creation, City, professional and miscellaneous soft costs	\$601,859
Total – Estimated Major Improvement Costs	\$3,997,736

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 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:

The Phase #1 roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Distribution System Improvements:

The Phase #1 water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with 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 within 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 Phase #1 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-B
Estimated Phase #1 Improvement Costs

Authorized Improvements	Total Estimated Phase #1 Improvement Costs
Road improvements	\$1,129,129
Water distribution system improvements	\$450,627
Sanitary sewer collection system improvements	\$545,213
Storm drainage collection system improvements	\$536,513
Soft costs including City, professional and miscellaneous soft costs	\$193,558
Subtotal – Estimated Phase #1 Improvement Costs	\$2,855,040
Add: Proportional share of estimated Major Improvement Costs ¹	\$1,423,230
Total Estimated Phase #1 Improvement Costs	\$4,278,270

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).

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 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.).

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 14 months to construct the Major Improvements and approximately 14 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 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 \$9,546,101 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 summarizes the sources and uses of funds required to construct the Major Improvements and Phase #1 Improvements, establish the PID, and issue the Phase #1 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.

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 expected to be issued starting in 2018 to finance the Major Improvements and Phase #1 Improvements. Table IV-A shows the sources and uses of the Bonds. The first series of Bonds for Phase #1 (“Phase #1A Bonds”) are anticipated to be issued to finance a portion of the Phase #1 Improvements, including costs to issue the Phase #1A Bonds, as shown in Table IV-A. Proceeds of the Phase #1A 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	MIA Bonds	Phase #1 Bonds	Total
Par amount	\$3,690,000	\$4,325,000	\$8,015,000
-Other funding sources	\$127,206	\$1,403,895	\$1,531,101
-Total Sources	\$3,817,206	\$5,728,895	\$9,546,101
Uses of Funds			
<u>Major Improvements</u>			
Road improvements	\$538,387	\$297,629	\$836,016
Water distribution system improvements	\$167,987	\$92,866	\$260,853
Sanitary sewer improvements	\$1,125,878	\$622,405	\$1,748,283
Storm drainage improvements	\$354,662	\$196,063	\$550,725
Other soft and miscellaneous costs	\$387,592	\$214,267	\$601,859
Subtotal	\$2,574,506	\$1,423,230	\$3,997,736
<u>Phase #1 Improvements</u>			
Road improvements	\$0	\$1,129,129	\$1,129,129
Water distribution system improvements	\$0	\$450,627	\$450,627
Sanitary sewer improvements	\$0	\$545,213	\$545,213
Storm drainage improvements	\$0	\$536,513	\$536,513
Other soft and miscellaneous costs	\$0	\$193,558	\$193,558
Subtotal	\$0	\$2,855,040	\$2,855,040
-Estimated Bond issue costs	\$1,242,700	\$1,450,625	\$2,693,325
Total Uses	\$3,817,206	\$5,728,895	\$9,546,101

Notes: Phase #1 Improvements include the Authorized Improvements listed under this heading plus the estimated \$1,423,230 pro rata share of the Major Improvements allocated to Phase #1.

The Phases #2 - 3 Major Improvement Bonds shown in Table IV-A are anticipated to be issued in 2018. The Phases #2 - 3 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 - 3 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 prorata share of the Major Improvements.

As Future Phases are developed, additional 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 phase #3 bonds will be issued to finance the Authorized Improvements required for Phase #3 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 and Annual Projected Indebtedness

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds
2018	\$9,546,101	\$8,015,000	\$1,531,101
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
2021	\$0	\$0	\$0
2022	\$0	\$0	\$0
Total	\$9,546,101	\$8,015,000	\$1,531,101

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.

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 – 3 Major Improvement Bonds to be issued in 2018, subsequent financings are to be issued over the upcoming decade as the 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") 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 Major Improvement costs are proportionally allocated to the Phases #2 – 3 Assessed Property and the Phase #1 Assessed Property based on the ratio of total estimated number of units for the Phases #2 - 3 Assessed Property and the Phase #1 Assessed Property.

6. The Phases #2 - 3 Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2 – 3 Assessed Property based on the total estimated number of 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 estimated number of 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 – 3 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.

Phase #1 is projected to contain 157 residential units. Phases #2 – 3 are projected to contain 284 residential units, resulting in a total projected number of units in the PID of 441. As a result, 35.60 percent of the estimated costs of Major Improvements (i.e. $157 \div 441 = 35.60\%$) are allocated to the Phase #1 Assessed Property and 64.40 percent of the estimated costs Major Improvements (i.e., $284 \div 441 = 64.40\%$) are allocated to the Phases #2 - 3 Assessed Property. The Phases #2 – 3 Major Improvement Bonds will fund the proportionate share of the estimated costs of the Major Improvements allocated to Phases #2 – 3 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	\$836,016
Water Improvements	\$260,853
Sanitary Sewer Improvements	\$1,748,283
Storm Drainage Improvements	\$550,725
Other soft and miscellaneous costs	\$601,859
Total Major Improvements	\$3,997,736
Phase #1	
Projected total number of units	157
% of total units	35.60%
Proportionate Share of Costs	\$1,423,230
Phases #2 - 3	
Projected total number of units	284
% of total units	64.40%
Proportionate Share of Costs	\$2,574,506

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 - 3

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 - 3 shall be allocated to the Phases #2 - 3 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of units anticipated to be developed on each Parcel.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated number of units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated number of units at the time residential Lots are platted to the total estimated number 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 - 3 is

shown on the Phases #2 – 3 Major Improvement Assessment Roll, attached as Appendix D, 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 number of units anticipated to be developed on each Parcel within Phase #1.

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 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 number of units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated number of units at the time residential Lots are platted to the total estimated number 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 E, 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 Phase #1 Bonds and the Phases #2 – 3 Major Improvement Bonds will be levied on each Parcel according to the Phases #2 – 3 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, attached hereto as Appendix D and Appendix E, respectively. As shown in Table IV-A, the total amount of Phases #2-3 Major Improvement Bonds, which represents the total amount of Assessment levied on the Phases #2-3 Major Improvement Assessed Property, is \$3,690,000. The total estimated number of units to be constructed within Phases #2-3 is 284. As a result, the Phases #2-3 Major Improvement Assessment per unit is \$12,993 as shown below.

	Phases #2-3	Phase #1
Total Assessment	\$3,690,000	\$4,325,000
Number of Units	284	157
Assessment per Unit	\$12,993	\$27,548

As shown in Table IV-A, the total amount of the Phase #1 Bonds, which represents the total Assessment levied on the Phase #1 Assessed Property, is \$4,325,000. The total estimated number

of units to be constructed within Phase #1 is 157. As a result, the Phase #1 Assessment per unit, which is also the Maximum Assessment per Unit, is \$27,548 as shown above.

The Annual Installments for the Phases #2 – 3 Major Improvement Bonds and the Phase #1 Bonds will be 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.

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. Prepayment and Delinquency 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 “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.

H. TIRZ Credit

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of such Parcel’s Assessments (the “TIRZ Annual Credit Amount”). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to the Parcel then on deposit in the TIRZ No. 10 tax increment fund. The TIRZ Annual Credit Amount applicable to each Parcel shall be calculated as described under Section VI 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

The Assessment and Annual Installments for each Assessed Property located within Phases #2 - 3 are shown on the Phases #2 – 3 Major Improvement Assessment Roll, attached as Appendix D, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Phases #2 - 3 Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phases #2 – 3 Major Improvement Bonds, (ii) 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 TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2018 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2019). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The number of units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

B. Amount of Assessments and Annual Installments for Parcels Located Within Phase #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 E, 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) 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 TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2018 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2019). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The number of units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

C. 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 number of units to be built on each new subdivided Parcel
- D = the sum of the estimated number of 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.

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 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 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 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 Rolls, 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 shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds and (ii) 9.37 percent per annum. The Phases #2 - 3 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated Bond interest rate of 6.5% and additional interest at the rate of 0.5% for Administrative Expenses or 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 6.25%, and an additional interest at the rate of 0.5% for Prepayment and Delinquency Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls, updated with the actual interest rates on the Bonds, are shown as Appendix D and Appendix E.

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.

Section VII THE ASSESSMENT ROLL

A. Major Improvement Area Assessment Roll

Each Parcel within Phases #2 - 3 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 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 \$3,817,206 in special benefit received by Phases #2 - 3 from a portion of the Major Improvements, the pro rata costs of the PID formation, and bond issuance costs for the proposed Phases #2 – 3 Major Improvement Bonds. The amount of Phases #2 – 3 Major Improvement Bonds is \$3,690,000, which is less than the benefit received by Phases #2 – 3 Assessed Property, and as such the total Assessment for all Assessed Property within Phases #2 - 3 is \$3,690,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within the Phases #2 - 3 is 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 D.

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 \$5,728,895 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 \$4,325,000, 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 \$4,325,000 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 – 3 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.

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

PROPERTY DESCRIPTION:

Being a 94.827 acre tract of land situated in the George W. Eastes Survey, Abstract Number 299, the William W. Shawver Survey, Abstract Number 810, and the William B. Tucker Survey, Abstract Number 912, City of Celina, Collin County, Texas, and being a part of that certain tract of land described by deed to CADG CELINA 156, LLC, recorded under Document Number 20141015001128280, Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2 inch iron rod found for the most northwest corner of a tract of land described to A.P. Sommerhalder, LLC, by deed recorded in document number 20150625000764600, Deed Records, Collin County, Texas, and the southwest corner of that certain tract of land described by deed to Preston 51 CR 102, LP, recorded under Document Number 20071120001569950 of the Official Public Records of Collin County, Texas, and being in the east line of State Highway No. 289, also known as Preston Road, having a variable width right-of-way, and being within County Road 102;

THENCE South 89 degrees 43 minutes 35 seconds East, within said County Road 102 and with the north line of said A. P. Sommerhalder tract and the south line of said Preston 51 CR 102 tract, a distance of 737.08 feet to a point for corner, being the POINT OF BEGINNING;

THENCE South 89 degrees 43 minutes 35 seconds East, continuing within said County Road 102, a distance of 1803.23 feet to a point for the southeast corner of said Preston 51 CR 102, LP tract, same being an inner ell corner of said CADG Celina 156, LLC tract;

THENCE North 00 degrees 26 minutes 05 seconds West, with the east line of said Preston 51 CR 102, LP tract and the northernmost west line of said CADG Celina 156, LLC tract, a distance of 640.81 feet to a 1/2 inch iron rod found for the southwest corner of that same tract of land described to Mohammad Ali Dalaki, by deed recorded in Document Number 20141119001266880, Official Public Records, Collin County, Texas, same being the northernmost northwest corner of said CADG Celina 156, LLC tract;

THENCE North 89 degrees 49 minutes 17 Seconds East, with the south line of said Dalaki tract and the north line of said CADG Celina 156, LLC tract, a distance of 1391.00 feet to a point for the southeast corner of said Dalaki tract and the northeast corner of said CADG Celina 156, LLC tract, said point lying on the west line of that same tract of land described to Nanda Estates, LLC, by deed recorded in Document Number 20140709000706790, Official Public Records, Collin County, Texas;

THENCE South 00 degrees 30 minutes 42 seconds East, with the west line of said Nanda Estates, LLC tract and the easternmost line of said CADG Celina 156, LLC tract, a distance of 1391.70 feet to a 5/8 inch iron rod found for the easternmost southeast corner thereof, same being the southwest corner of said Nanda Estates, LLC tract, and lying on the north line of that same tract of land described to Four Winds Enterprises, Ltd., by deed recorded in Volume 5476, Page 8080, Official Public Records, Collin County, Texas;

THENCE South 88 degrees 45 minutes 36 seconds West, with the north line of said Four Winds Enterprises, Ltd. tract, and the easternmost south line of said CADG Celina 156, LLC tract, a distance of 551.59 feet to a point for corner;

THENCE South 89 degrees 08 minutes 14 seconds West, continuing with the north line of said Four Winds Enterprises, Ltd. tract, and the easternmost south line of said CADG Celina 156, LLC tract, a distance of 1442.68 feet to a 1/2 inch iron rod found for the northwest corner of said Four Winds Enterprises, Ltd. tract and an inner ell corner of said CADG Celina 156, LLC tract;

THENCE South 00 degrees 08 minutes 33 seconds West, with the west line of said Four Winds Enterprises, Ltd. tract, and the southernmost east line of said CADG Celina 156, LLC tract, a distance of 45.11 feet to point for corner in the west line of said Four Winds Enterprises, Ltd., and at the beginning of a curve to the left having a radius of 708.00 feet, with a delta angle of 36 degrees 15 minutes 41 seconds, whose chord bears South 72 degrees 00 minutes 02 seconds West, a distance of 440.64 feet;

THENCE, in a southwesterly direction, departing the southernmost east line of said CADG Celina 156 tract, over, across, and upon said CADG Celina 156 tract, and with said curve, an arc length of 448.08 feet to a point for corner;

THENCE South 53 degrees 52 minutes 12 seconds West, continuing within said CADG Celina 156 tract, a distance of 1001.46 feet to a point for corner lying on the west line thereof, same being the east line of that certain tract of land described in deed to Sutton Field Investments, LLC, recorded under Document Number 20150305000240910, Official Public Records of Collin County, Texas;

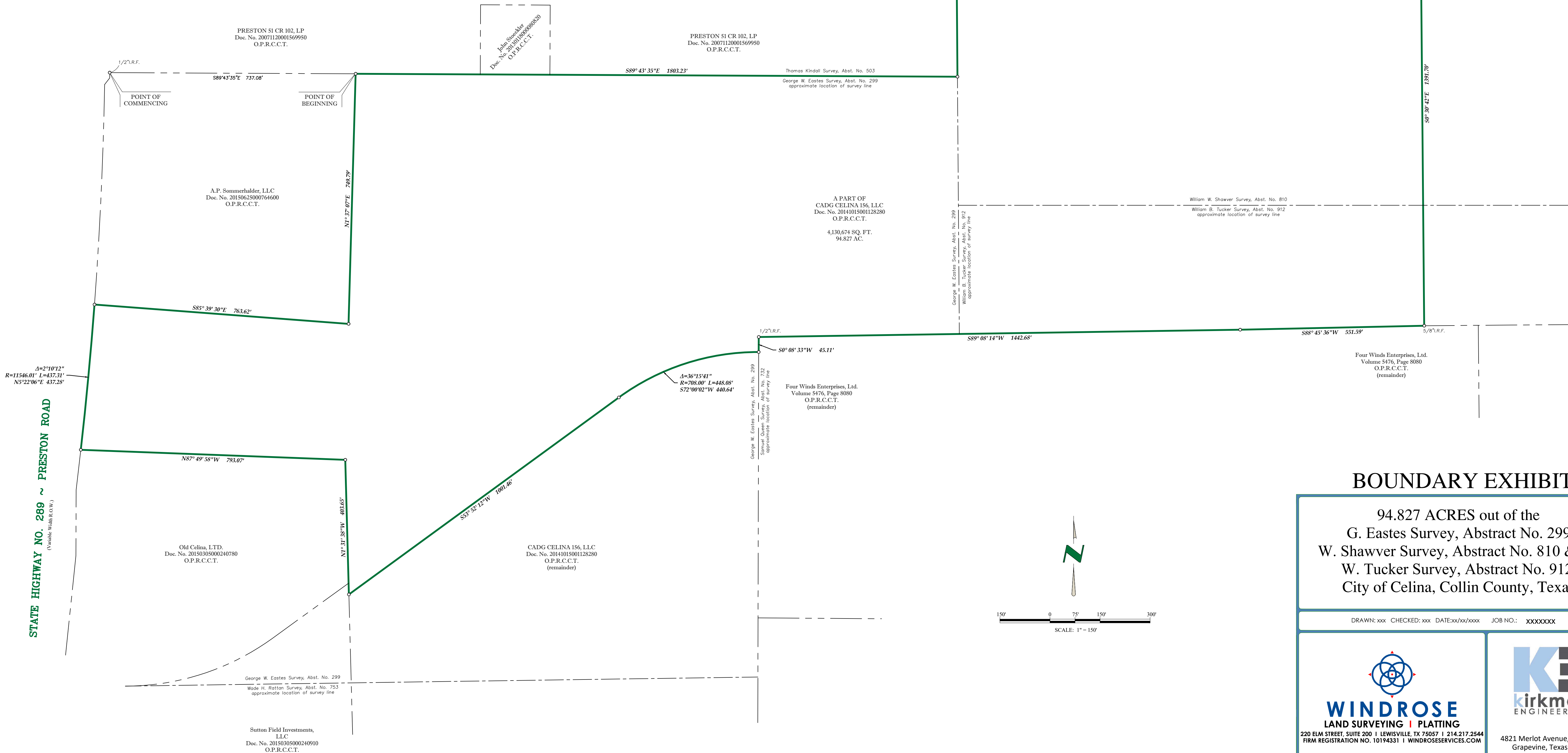
THENCE North 01 degrees 31 minutes 38 seconds West, with the west line of said CADG Celina 156 tract, the east line of said Sutton Field Investments, LLC, tract, and the east line of that certain tract of land described to Old Celina, LTD., by deed recorded under Document Number 20150305000240780 of the Official Public Records of Collin County, Texas, a distance of 403.65 feet to point for corner;

THENCE North 87 degrees 49 minutes 58 seconds West, with the westernmost south line of said CADG Celina 156 tract, and the north line of said Old Celina, LTD. tract, a distance of 793.07 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner in the east line of said Preston Road, lying in a curve to the left having a radius of 11546.01 feet, with a delta angle of 02 degrees 10 minutes 12 seconds, whose chord bears North 05 degrees 22 minutes 06 seconds East, a distance of 437.28 feet;

THENCE continuing with the east line of said Preston Road and with said curve, an arc length of 437.31 feet to a point for the westernmost northwest corner of said CADG Celina 156 tract and the southwest corner of said A.P. Sommerhalder, LLC tract;

THENCE South 85 degrees 39 minutes 30 seconds East, with the westernmost north line of said CADG Celina 156 tract and the south line of said A.P. Sommerhalder, LLC tract, a distance of 763.62 feet to point for the southeast corner of said A.P.Sommerhalder, LLC. tract and an interior corner of said CADG Celina 156 tract;

THENCE North 01 degrees 37 minutes 07 seconds East, with the northernmost west line of said CADG Celina 156 tract and the east line of said A.P. Sommerhalder, LLC. tract, a distance of 749.79 feet to the POINT OF BEGINNING, and containing 94.827 acres of land, more or less, and being subject to any and all easements that may affect.



BOUNDARY EXHIBIT

94.827 ACRES out of the
G. Eastes Survey, Abstract No. 299
W. Shawver Survey, Abstract No. 810 & the
W. Tucker Survey, Abstract No. 912,
City of Celina, Collin County, Texas

DRAWN: xxx CHECKED: xxx DATE:xx/xx/xxxx JOB NO.: XXXXXXX

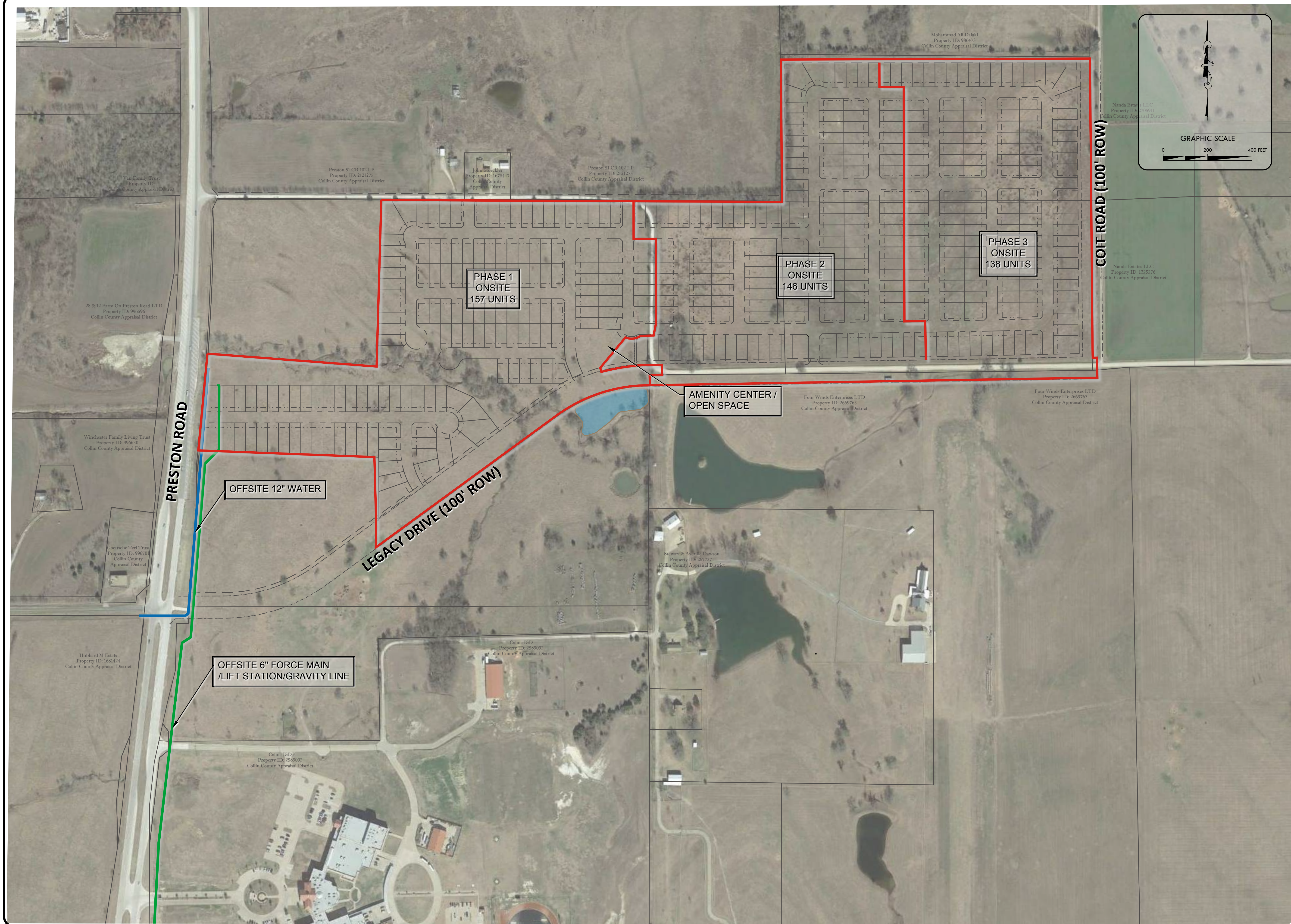
WINDROSE
LAND SURVEYING | PLATTING
220 ELM STREET, SUITE 200 | LEWISVILLE, TX 75057 | 214.217.2544
FIRM REGISTRATION NO. 10194331 | WINDROSESERVICES.COM

Kirkman
ENGINEERING

4821 Merlot Avenue, Suite 210
Grapevine, Texas 76051
Phone: 817-488-4960



6/15/17	CEN15001
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Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Chalk Hill - City of Celina
31-Oct-17

	CELINA	TOTAL
SF (50's)	441	441
Total SF Lots	441	441
SF Gross Acreage	94	94
SF Net Acreage	0	0

**The Chalk Hill Public Improvement District Land Use Summary - City of Celina
FEBRUARY 7, 2018**

	PHASE			
	1	2	3	TOTAL
SF (40's)	157	146	138	441
Total SF Lots	157	146	138	441
SF Gross Acreage	41	28	25	94
SF Net Acreage	0	0	0	0



PHASE TOTAL SUMMARY - CITY OF CELINA IMPROVEMENTS				
COST TYPE	1	2	3	TOTAL
DIRECT PUBLIC	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675
PRIVATE	\$1,378,426	\$1,055,583	\$1,319,358	\$3,753,367
SUB-TOTAL	\$4,260,668	\$5,150,950	\$4,924,424	\$14,336,042
	MAJOR IMPROVEMENTS			
MASTER PUBLIC	\$4,038,535			\$4,038,535
TOTAL				\$18,374,577

- 1) This estimate is based on the attached concept plan.
- 2) Earthwork quantities do not include costs for rock excavation. A Geotech should be consulted regarding the treatment of cultivated soil and its use on the project.
- 3) Sidewalks adjacent to residential lots are excluded from above costs. Sidewalks are assumed to be constructed by the home builders, except where adjacent to park dedication, collectors, thoroughfare, or open space. ADA ramps are required to be built by the Developer.
- 4) All fees need to be verified by the City of Celina at the time of construction & permitting.
- 5) Turn lanes and deceleration lanes are not included in this cost estimate.
- 6) Construction timing of improvements are assumed to run concurrent with adjacent off-site master infrastructure improvements, Jurisdictional Water of the U.S. permitting is not included in this estimate.
- 8) It is assumed that no additional offsite easements will need to be acquired for the proposed utilities.
- 9) All earthwork numbers are contained to the limits of the ROW. Onsite earthwork numbers have been separated to the ROW and lots only.



PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

A. CLEARING & EXCAVATION

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	3.3	\$8,250	6.5	\$16,350	5.7	\$14,350	15.6	\$38,950
STREET / ROW EXCAVATION	CY	\$3.00	18,000	\$54,000	26,220	\$78,660	23,000	\$69,000	67,220	\$201,660
TOTAL CLEARING & EXCAVATION				\$62,250		\$95,010		\$83,350		\$240,610

B. WATER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" P.V.C. WATERLINE	LF	\$30.00	6,500	\$195,000	5,976	\$179,280	5,257	\$157,710	17,733	\$531,990
8" GATE VALVE & BOX	EA	\$1,350.00	23	\$31,050	20	\$26,892	18	\$23,657	60	\$81,599
1" WATER SERVICE	EA	\$785.00	157	\$123,245	145	\$113,825	138	\$108,330	440	\$345,400
FIRE HYDRANT ASSEMBLY (INC. 6" GATE VALVE)	EA	\$4,180.00	13	\$54,340	12	\$49,959	11	\$43,949	35	\$148,248
AUTOMATIC FLUSH VALVE	EA	\$6,500.00	1	\$6,500	0	\$0	0	\$0	1	\$6,500
2" FLUSH LINE	EA	\$2,000.00	1	\$2,000	0	\$0	0	\$0	1	\$2,000
CONNECT TO EXISTING 12" LINE	EA	\$1,000.00	0	\$0	2	\$2,000	3	\$3,000	5	\$5,000
CONNECT TO EXISTING 18" LINE	EA	\$2,000.00	1	\$2,000	0	\$0	0	\$0	1	\$2,000
TRENCH SAFETY	LF	\$1.00	6,500	\$6,500	5,976	\$5,976	5,257	\$5,257	17,733	\$17,733
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	6,500	\$6,500	5,976	\$5,976	5,257	\$5,257	17,733	\$17,733
BONDS	%	2.00%	\$427,135	\$8,543	\$383,908	\$7,678	\$347,159	\$6,943	1,158,202	\$23,164
INSPECTION FEE	%	3.50%	\$427,135	\$14,950	\$383,908	\$13,437	\$347,159	\$12,151	1,158,202	\$40,537
TOTAL WATER				\$450,627		\$405,023		\$366,253		\$1,221,904



PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

C. SEWER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SDR-26 P.V.C. SEWERLINE (ALL DEPTHS)	LF	\$39.00	6,700	\$261,300	5,700	\$222,300	5,000	\$195,000	17,400	\$678,600
8" PLUG	EA	\$500.00	3	\$1,500	3	\$1,500	1	\$500	7	\$3,500
4' DIAMETER MANHOLE (ALL DEPTHS)	EA	\$4,500.00	10	\$45,000	12	\$54,000	13	\$58,500	35	\$157,500
5' DIAMETER MANHOLE (ALL DEPTHS)	EA	\$9,500.00	11	\$104,500	0	\$0	0	\$0	11	\$104,500
4" SERVICE WITH CLEANOUT	EA	\$570.00	157	\$89,490	145	\$82,650	138	\$78,660	440	\$250,800
CONNECT TO EXISTING SANITARY SEWER	EA	\$1,600.00	1	\$1,600	2	\$3,200	3	\$4,800	6	\$9,600
TRENCH SAFETY	LF	\$1.00	6,700	\$6,700	5,700	\$5,700	5,000	\$5,000	17,400	\$17,400
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	6,700	\$6,700	5,700	\$5,700	5,000	\$5,000	17,400	\$17,400
BONDS	%	2.00%	\$516,790	\$10,336	\$375,050	\$7,501	\$347,460	\$6,949	1,239,300	\$24,786
INSPECTION FEE	%	3.50%	\$516,790	\$18,088	\$375,050	\$13,127	\$347,460	\$12,161	1,239,300	\$43,376
TOTAL SEWER				\$545,213		\$395,678		\$366,570		\$1,307,462



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

D. STORM SEWER										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
18" RCP CLASS III	LF	\$50.50	1,038	\$52,419	600	\$30,300	700	\$35,350	2,338	\$118,069
24" RCP CLASS III	LF	\$61.00	1,084	\$66,124	1,200	\$73,200	1,100	\$67,100	3,384	\$206,424
24" RCP CLASS IV	LF	\$70.00	291	\$20,370	0	\$0	0	\$0	291	\$20,370
30" RCP CLASS III	LF	\$75.10	546	\$41,005	600	\$45,060	800	\$60,080	1,946	\$146,145
33" RCP CLASS III	LF	\$89.00	0	\$0	0	\$0	0	\$0	0	\$0
36" RCP CLASS III	LF	\$98.80	0	\$0	600	\$59,280	300	\$29,640	900	\$88,920
42" RCP CLASS III	LF	\$133.00	0	\$0	0	\$0	300	\$39,900	300	\$39,900
48" RCP CLASS III	LF	\$156.95	527	\$82,713	200	\$31,390	0	\$0	727	\$114,103
10' STD CURB INLET	EA	\$3,650.00	17	\$62,050	20	\$73,000	18	\$65,700	55	\$200,750
3'X3' WYE INLET	EA	\$3,575.00	2	\$7,150	0	\$0	0	\$0	2	\$7,150
4'X4' JUNCTION BOX	EA	\$5,000.00	5	\$25,000	4	\$20,000	4	\$20,000	13	\$65,000
5'X5' JUNCTION BOX	EA	\$6,000.00	4	\$24,000	4	\$24,000	1	\$6,000	9	\$54,000
18" HEADWALL	EA	\$2,500.00	1	\$2,500	0	\$0	0	\$0	1	\$2,500
24" HEADWALL	EA	\$2,900.00	1	\$2,900	0	\$0	0	\$0	1	\$2,900
30" HEADWALL	EA	\$3,250.00	1	\$3,250	0	\$0	0	\$0	1	\$3,250
46" HEADWALL	EA	\$4,000.00	0	\$0	0	\$0	0	\$0	0	\$0
48" HEADWALL	EA	\$4,620.00	1	\$4,620	0	\$0	0	\$0	1	\$4,620
RIP RAP OUTFALL PROTECTION	EA	\$3,000.00	4	\$12,000	2	\$6,000	2	\$6,000	8	\$24,000
GABION STRUCTURES - OPEN SPACE	EA	\$35,000.00	2	\$70,000	0	\$0	0	\$0	2	\$70,000
TRENCH SAFETY	LF	\$1.00	3,486	\$3,486	3,200	\$3,200	3,200	\$3,200	9,886	\$9,886
BONDS	%	2.00%	\$479,586	\$9,592	\$365,430	\$7,309	\$332,970	\$6,659	1,177,986	\$23,560
INSPECTION FEE	%	3.50%	\$479,586	\$16,786	\$365,430	\$12,790	\$332,970	\$11,654	1,177,986	\$41,230
TOTAL STORM SEWER				\$505,963		\$385,529		\$351,283		\$1,242,775



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

E. PAVEMENT										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
7" CONCRETE PAVEMENT WITH 6" CURBS (29' B-B)	SY	\$39.00	19,944	\$777,816	19,194	\$748,566	16,983	\$662,337	56,121	\$2,188,719
6" LIME STABILIZED SUBGRADE PREPARATION	SY	\$3.00	21,938	\$65,815	21,113	\$63,340	18,681	\$56,044	61,733	\$185,199
HYDRATED LIME FOR STREET (36#/SY)	TON	\$150.00	395	\$59,234	380	\$57,006	336	\$50,440	1,111	\$166,679
PAVEMENT HEADER	LF	\$15.00	124	\$1,860	93	\$1,395	31	\$465	248	\$3,720
5' REINFORCED CONCRETE SIDEWALK, 4" THICK	LF	\$27.50	1,080	\$29,700	0	\$0	0	\$0	1,080	\$29,700
GUARDRAIL	LF	\$35.00	585	\$20,475	0	\$0	0	\$0	585	\$20,475
BARRIER FREE PEDESTRIAN RAMP	EA	\$1,350.00	22	\$29,700	26	\$35,100	18	\$24,300	66	\$89,100
STREET/STOP SIGN COMBO	EA	\$1,850.00	10	\$18,500	11	\$20,350	8	\$14,800	29	\$53,650
CONDUIT - 2" (OPEN CUT) STREET LIGHTS/FRANCHISE	LF	\$10.00	816	\$8,160	1,000	\$10,000	1,054	\$10,540	2,870	\$28,700
BONDS	%	2.00%	\$1,011,260	\$20,225	\$935,757	\$18,715	\$818,925	\$16,379	2,765,943	\$55,319
INSPECTION FEE	%	3.50%	\$1,011,260	\$35,394	\$935,757	\$32,752	\$818,925	\$28,662	2,765,943	\$96,808
TOTAL PAVEMENT				\$1,066,879		\$987,224		\$863,966		\$2,918,070

F. EROSION CONTROL										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
INLET PROTECTION	EA	\$200.00	18	\$3,600	20	\$4,000	18	\$3,600	56	\$11,200
CURLEX AFTER PAVING (4' WIDE)	LF	\$1.50	11,300	\$16,950	4,004	\$6,006	0	\$18,456	15,304	\$22,956
DRAINAGE EROSION CONTROL	LS	\$10,000.00	1	\$10,000	1	\$10,000	1	\$10,000	3	\$30,000
TOTAL EROSION CONTROL				\$30,550		\$20,006		\$32,056		\$64,156



PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

G. FRANCHISE UTILITIES

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
STREET LIGHTS	EA	\$1,700.00	16	\$27,200	11	\$18,700	12	\$20,400	39	\$66,300
TOTAL FRANCHISE UTILITIES				\$27,200		\$18,700		\$20,400		\$66,300

H. MISCELLANEOUS & OTHER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CITY REVIEW FEES	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TOTAL MISCELLANEOUS & OTHER				\$5,000		\$5,000		\$5,000		\$15,000



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT - CELINA TRACT
DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

					1	2	3	TOTAL
PROJECT NAME:	Chalk Hill - Direct Public Improvements	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0	0.0

SUMMARY - DIRECT PUBLIC IMPROVEMENTS - CITY OF CELINA	1	2	3	TOTAL
A. CLEARING & EXCAVATION	\$62,250	\$95,010	\$83,350	\$240,610
B. WATER	\$450,627	\$405,023	\$366,253	\$1,221,904
C. SEWER	\$545,213	\$395,678	\$366,570	\$1,307,462
D. STORM SEWER	\$505,963	\$385,529	\$351,283	\$1,242,775
E. PAVEMENT	\$1,066,879	\$987,224	\$863,966	\$2,918,070
F. EROSION CONTROL	\$30,550	\$20,006	\$32,056	\$64,156
G. FRANCHISE UTILITIES	\$27,200	\$18,700	\$20,400	\$66,300
H. MISCELLANEOUS & OTHER	\$5,000	\$5,000	\$5,000	\$15,000
I. CLEARING & EXCAVATION - LEGACY DRIVE	\$0	\$51,800	\$24,090	\$152,395
J. CLEARING & EXCAVATION - COIT	\$0	\$0	\$40,804	\$40,804
K. WATER - LEGACY DRIVE	\$0	\$28,525	\$84,516	\$279,229
L. WATER - PRESTON ROAD	\$0	\$0	\$0	\$94,665
M. WATER - COIT ROAD	\$0	\$0	\$97,664	\$97,664
N. SEWER - LEGACY DRIVE	\$0	\$0	\$84,733	\$84,733
O. SEWER - PRESTON ROAD	\$0	\$0	\$0	\$1,748,283
P. SEWER - COIT ROAD	\$0	\$0	\$40,868	\$40,868
Q. STORM SEWER - LEGACY DRIVE	\$0	\$303,998	\$121,635	\$926,288
R. STORM SEWER - COIT ROAD	\$0	\$0	\$101,814	\$101,814
S. PAVEMENT - LEGACY DRIVE	\$0	\$1,106,703	\$230,387	\$2,096,600
T. PAVEMENT - COIT ROAD (90' ROW)	\$0	\$0	\$411,080	\$411,080
U. EROSION CONTROL	\$0	\$14,150	\$27,552	\$91,772
V. FRANCHISE UTILITIES	\$0	\$5,100	\$10,200	\$56,100
W. MISCELLANEOUS & OTHER	\$0	\$5,000	\$5,000	\$15,000
SUB-TOTAL	\$2,693,684	\$3,827,446	\$3,369,221	\$13,313,570
SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING (7%)	\$188,558	\$267,921	\$235,845	\$931,950
ROADWAY IMPACT FEES (4.233*#LOTS*694)	\$0	\$0	\$0	\$0
WATER IMPACT FEES (\$3,276/LOT) (BUILDER)	\$0	\$0	\$0	\$0
WASTEWATER IMPACT FEES (\$4,631/LOT) (BUILDER)	\$0	\$0	\$0	\$0
PARK AND OPEN SPACE FEE (\$1500/LOT)	\$0	\$0	\$0	\$0
SUB-TOTAL	\$2,882,241	\$4,095,367	\$3,605,066	\$14,245,520
MISCELLANEOUS & CONTINGENCY (10%)	\$0	\$0	\$0	\$0
TOTAL COST	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675



PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		NET AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

A.1 CLEARING & EXCAVATION - LEGACY DRIVE (100' ROW, 74' B-B, 3,440 LF)										
DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	5.2	\$13,100	3	\$6,800	2	\$4,125	9.61	\$24,025
STREET / ROW EXCAVATION/DETENTION	CY	\$3.00	21,135	\$63,405	15,000	\$45,000	6,655	\$19,965	42,790.00	\$128,370
TOTAL CLEARING & EXCAVATION - LEGACY DRIVE				\$76,505		\$51,800		\$24,090		\$152,395

A.2 CLEARING & EXCAVATION - COIT RD. (60' ROW, 37' B-B, 1,342 LF)										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3 (1,342 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	0	\$0	0.0	\$0	2.8	\$6,925	2.77	\$6,925
STREET / ROW EXCAVATION	CY	\$3.00	0	\$0	0	\$0	11,293	\$33,879	11,293	\$33,879
TOTAL CLEARING & EXCAVATION - COIT RD.				\$0		\$0		\$40,804		\$40,804



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

B.1 WATER - ALONG LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
12" P.V.C. WATERLINE	LF	\$48.00	2,366	\$113,568	530	\$25,440	1,600	\$76,800	4,496	\$215,808
12" GATE VALVE & BOX	EA	\$2,300.00	4	\$9,200	0	\$0	0	\$0	4	\$9,200
12" PLUG	EA	\$750.00	1	\$750	1	\$750	1	\$750	3	\$2,250
FIRE HYDRANT ASSEMBLY	EA	\$4,180.00	4	\$16,720	0	\$0	0	\$0	4	\$16,720
CONNECT TO EXISTING LINE	EA	\$1,000.00	1	\$1,000	0	\$0	0	\$0	1	\$1,000
18"x12" TAPPING SLEEVE AND VALVE	EA	\$12,500.00	1	\$12,500	0	\$0	0	\$0	1	\$12,500
TRENCH SAFETY	LF	\$1.00	2,366	\$2,366	530	\$530	1,600	\$1,600	4,496	\$4,496
TESTING (EXCLUDING GEOTECH)	LF	\$0.60	2,366	\$1,420	530	\$318	1,600	\$960	4,496	\$2,698
BONDS	%	2.00%	\$157,524	\$3,150	\$27,038	\$541	\$80,110	\$1,602	264,672	\$5,293
INSPECTION FEE	%	3.50%	\$157,524	\$5,513	\$27,038	\$946	\$80,110	\$2,804	264,672	\$9,264
TOTAL WATER - ALONG LEGACY DRIVE				\$166,187		\$28,525		\$84,516		\$279,229

B.2 WATER - ALONG PRESTON RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
12" P.V.C. WATERLINE	LF	\$48.00	1,400	\$67,200	0	\$0	0	\$0	1,400	\$67,200
12" GATE VALVE & BOX	EA	\$2,300.00	6	\$13,800	0	\$0	0	\$0	6	\$13,800
12" PLUG	EA	\$750.00	1	\$750	0	\$0	0	\$0	1	\$750
FIRE HYDRANT ASSEMBLY	EA	\$4,180.00	1	\$4,180	0	\$0	0	\$0	1	\$4,180
CONNECT TO EXISTING LINE	EA	\$1,000.00	1	\$1,000	0	\$0	0	\$0	1	\$1,000
TRENCH SAFETY	LF	\$1.00	1,400	\$1,400	0	\$0	0	\$0	1,400	\$1,400
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	1,400	\$1,400	0	\$0	0	\$0	1,400	\$1,400
BONDS	%	2.00%	\$89,730	\$1,795	\$0	\$0	\$0	\$0	89,730	\$1,795
INSPECTION FEE	%	3.50%	\$89,730	\$3,141	\$0	\$0	\$0	\$0	89,730	\$3,141
TOTAL WATER - ALONG PRESTON RD.				\$94,665		\$0		\$0		\$94,665



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

B.3 WATER - ALONG COIT RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
12" P.V.C. WATERLINE	LF	\$48.00	0	\$0	0	\$0	1,342	\$64,416	1,342	\$64,416
12" GATE VALVE & BOX	EA	\$2,300.00	0	\$0	0	\$0	4	\$10,289	4	\$10,289
12" PLUG	EA	\$750.00	0	\$0	0	\$0	1	\$750	1	\$750
FIRE HYDRANT ASSEMBLY	EA	\$4,180.00	0	\$0	0	\$0	3	\$11,219	3	\$11,219
CONNECT TO EXISTING LINE	EA	\$1,000.00	0	\$0	0	\$0	1	\$1,000	1	\$1,000
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	1,342	\$1,342	1,342	\$1,342
TESTING (EXCLUDING GEOTECH)	LF	\$1.00	0	\$0	0	\$0	1,342	\$1,342	1,342	\$1,342
TESTING (GEOTECH)	LF	\$1.65	0	\$0	0	\$0	1,342	\$2,214	1,342	\$2,214
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$92,572	\$1,851	92,572	\$1,851
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$92,572	\$3,240	92,572	\$3,240
TOTAL WATER - ALONG COIT RD.				\$0		\$0		\$97,664		\$97,664

C.1 SEWER - ALONG LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SANITARY SEWER MAIN (SDR-26)	LF	\$39.00	0	\$0	0	\$0	1,403	\$54,717	1,403	\$54,717
MANHOLE - STD 4 DIA	LF	\$4,500.00	0	\$0	0	\$0	5	\$22,500	5	\$22,500
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	1,403	\$1,403	1,403	\$1,403
POST CONSTRUCTION CCTV	LF	\$1.25	0	\$0	0	\$0	1,403	\$1,754	1,403	\$1,754
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$80,374	\$1,607	80,374	\$1,607
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$78,620	\$2,752	78,620	\$2,752
TOTAL SEWER				\$0		\$0		\$84,733		\$84,733



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

C.2 SEWER - ALONG PRESTON ROAD

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SANITARY SEWER MAIN (SDR-35)	LF	\$34.00	900	\$30,600	0	\$0	0	\$0	900	\$30,600
8" SANITARY SEWER FORCE MAIN	LF	\$48.00	2,130	\$102,240	0	\$0	0	\$0	2,130	\$102,240
MANHOLE - STD 5 DIA	EA	\$9,500.00	2	\$19,000	0	\$0	0	\$0	2	\$19,000
CONNECT TO EXISTING MANHOLE	EA	\$3,500.00	1	\$3,500	0	\$0	0	\$0	1	\$3,500
LIFT STATION	EA	\$1,500,000.00	1	\$1,500,000	0	\$0	0	\$0	1	\$1,500,000
TRENCH SAFETY	LF	\$1.00	900	\$900	0	\$0	0	\$0	900	\$900
POST CONSTRUCTION CCTV	LF	\$1.00	900	\$900	0	\$0	0	\$0	900	\$900
BONDS	%	2.00%	\$1,657,140	\$33,143	\$0	\$0	\$0	\$0	1,657,140	\$33,143
INSPECTION FEE	%	3.50%	\$1,657,140	\$58,000	\$0	\$0	\$0	\$0	1,657,140	\$58,000
TOTAL SEWER				\$1,748,283		\$0		\$0		\$1,748,283



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

C.3 SEWER - ALONG COIT RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" SANITARY SEWER MAIN (SDR-26)	LF	\$39.00	0	\$0		\$0	830	\$32,370	830	\$32,370
MANHOLE - STD 4 DIA	LF	\$4,500.00	0	\$0		\$0	1	\$4,500	1	\$4,500
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	830	\$830	830	\$830
POST CONSTRUCTION CCTV	LF	\$1.25	0	\$0	0	\$0	830	\$1,038	830	\$1,038
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$38,738	\$775	38,738	\$775
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$38,738	\$1,356	38,738	\$1,356
TOTAL SEWER ALONG COIT RD.				\$0		\$0		\$40,868		\$40,868

D.1 STORM SEWER - LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
18" RCP	LF	\$50.50	1,000	\$50,500	110	\$5,555	200	\$10,100	1,310	\$66,155
24" RCP	LF	\$61.00	71	\$4,331	0	\$0	0	\$0	71	\$4,331
42" RCP	LF	\$133.00	270	\$35,910	0	\$0	400	\$53,200	670	\$89,110
48" RCP	LF	\$156.95	270	\$42,377	500	\$78,475	200	\$31,390	970	\$152,242
4x3 SBC	LF	\$180.00	0	\$0	939	\$169,020	0	\$0	939	\$169,020
2-4'X4' MULTI BOX CULVERT	LF	\$1,100.00	100	\$110,000	0	\$0	0	\$0	100	\$110,000
5-5'X5' MULTI BOX CULVERT	LF	\$1,100.00	100	\$110,000	0	\$0	0	\$0	100	\$110,000
10' STD CURB INLET	EA	\$3,500.00	8	\$28,000	2	\$7,000	4	\$14,000	14	\$49,000
4' JUNCTION BOX	EA	\$5,000.00	1	\$6,100	0	\$0	1	\$5,000	2	\$10,000
5-5'X5' MULTI BOX CULVERT HEADWALLS	EA	\$15,000.00	2	\$30,000	0	\$0	0	\$0	2	\$30,000
2-4'X4' MULTI BOX CULVERT HEADWALLS	EA	\$12,000.00	2	\$24,000	0	\$0	0	\$0	2	\$24,000
12" GROUTED ROCK RIP RAP	SY	\$105.00	283	\$29,715	0	\$0	0	\$0	283	\$29,715
POND OUTFALL STRUCTURE	EA	\$25,000.00	0	\$0	1	\$25,000	0	\$0	1	\$25,000
TRENCH SAFETY	LF	\$1.00	1,811	\$1,811	1,549	\$1,549	800	\$800	4,160	\$4,160
TESTING (TV)	LF	\$1.00	1,811	\$1,811	1,551	\$1,551	804	\$804	4,166	\$4,166
BONDS	%	2.00%	\$474,555	\$9,491	\$288,150	\$5,763	\$115,294	\$2,306	877,999	\$17,560
INSPECTION FEE	%	3.50%	\$474,555	\$16,609	\$288,150	\$10,085	\$115,294	\$4,035	877,999	\$30,730
TOTAL STORM SEWER - LEGACY DRIVE				\$500,655		\$303,998		\$121,635		\$925,188



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

D.2 STORM SEWER - COIT RD.

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
18" RCP	LF	\$50.50	0	\$0		\$0	1,400	\$70,700	1,400	\$70,700
30" RCP	LF	\$90.00	0	\$0	0	\$0	0	\$0	0	\$0
36" RCP	LF	\$125.00	0	\$0	0	\$0	0	\$0	0	\$0
42" RCP	LF	\$133.00	0	\$0	0	\$0	0	\$0	0	\$0
10' STD CURB INLET	EA	\$3,600.00	0	\$0		\$0	6	\$21,600	6	\$21,600
3' X 3' WYE INLET	EA	\$3,500.00	0	\$0		\$0		\$0	0	\$0
5' JUNCTION BOX	EA	\$6,000.00	0	\$0		\$0	0	\$0	0	\$0
TEMPORARY HEADWALL, GTD, & RIP-RAP	EA	\$5,000.00	0	\$0	0	\$0	0	\$0	0	\$0
12" GROUTED ROCK RIP RAP	SY	\$75.00	0	\$0	0	\$0	0	\$0	0	\$0
TRENCH SAFETY	LF	\$1.00	0	\$0	0	\$0	1,400	\$1,400	1,400	\$1,400
TESTING (GEOTECH)	LF	\$1.00	0	\$0	0	\$0	1,400	\$1,400	1,400	\$1,400
TESTING (TV)	LF	\$1.00	0	\$0	0	\$0	1,406	\$1,406	1,406	\$1,406
BONDS	%	2.00%	\$0	\$0	\$0	\$0	\$96,506	\$1,930	96,506	\$1,930
INSPECTION FEE	%	3.50%	\$0	\$0	\$0	\$0	\$96,506	\$3,378	96,506	\$3,378
TOTAL STORM SEWER - E. COIT RD.				\$0		\$0		\$101,814		\$101,814

E.1 PAVEMENT - LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1 (2,439 LF)		2 (1,187 LF)		3 (706 LF)		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
SECTION, PHASE 2: 28' B-B HALF SECTION + PHASE 1 SOUTH HALF SECTION, PHASE 3: 28' B-B HALF SECTION) ; EACH PHASE WILL INCLUDE 9' OF MEDIAN	SY	\$45.00	10,050	\$452,250	14,910	\$670,950	3,000	\$135,000	27,960	\$1,258,200
8" LIME STABILIZED SUBGRADE PREPARATION	SY	\$3.30	11,055	\$36,482	16,401	\$54,123	3,300	\$10,890	30,756	\$101,495
HYDRATED LIME FOR STREET (53#/SY)	TON	\$155.00	293	\$45,408	394	\$61,012	79	\$12,276	766	\$118,696
PAVEMENT HEADER	LF	\$15.00	28	\$420	28	\$420	28	\$420	84	\$1,260
BARRIER FREE PEDESTRIAN RAMP	EA	\$1,350.00	4	\$5,400	2	\$2,700	2	\$2,700	8	\$10,800
BARRICADES	EA	\$1,500.00	1	\$1,500	1	\$1,500	1	\$1,500	3	\$4,500
STREET SIGN	EA	\$1,300.00	3	\$3,900	1	\$1,300	1	\$1,300	5	\$6,500
10' CONCRETE SIDEWALK	LF	\$60.00	2,439	\$146,340	3,626	\$217,560	706	\$42,360	6,771	\$406,260
TRAFFIC CONTROL	LS	\$5,000.00	1.0	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TESTING	SY	\$2.10	11,055	\$23,216	16,401	\$34,442	3,300	\$6,930	30,756	\$64,588
BONDS	%	2.00%	\$719,915	\$14,398	\$1,049,007	\$20,980	\$218,376	\$4,368	1,987,299	\$39,746
INSPECTION FEE	%	3.50%	\$719,915	\$25,197	\$1,049,007	\$36,715	\$218,376	\$7,643	1,987,299	\$69,555
TOTAL PAVEMENT - LEGACY DRIVE				\$759,511		\$1,106,703		\$230,387		\$2,096,600



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

E.2 PAVEMENT - COIT ROAD (60' ROW)

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8" REINF. CONCRETE STREET PAVEMENT (37" B-B, 1,342 LF)	SY	\$45.00	0	\$0	0	\$0	5,520	\$248,400	5,520	\$248,400
8" LIME STABILIZED SUBGRADE PREPARATION	SY	\$3.30	0	\$0	0	\$0	6,072	\$20,038	6,072	\$20,038
HYDRATED LIME FOR STREET (53#/SY)	TON	\$155.00	0	\$0	0	\$0	109	\$16,941	109	\$16,941
PAVEMENT HEADER	LF	\$15.00	0	\$0	0	\$0	37	\$555	37	\$555
BARRIER FREE PEDESTRIAN RAMP	EA	\$1,350.00	0	\$0	0	\$0	2	\$2,700	2	\$2,700
BARRICADES	EA	\$1,500.00	0	\$0	0	\$0	1	\$1,500	1	\$1,500
STREET SIGN	EA	\$1,300.00	0	\$0	0	\$0	2	\$2,600	2	\$2,600
STOP SIGN	EA	\$1,250.00	0	\$0	0	\$0	2	\$2,500	2	\$2,500
6" CONCRETE SIDEWALK	LF	\$30.00	0	\$0	0	\$0	2,684	\$80,520	2,684	\$80,520
TRAFFIC CONTROL	LS	\$3,000.00	0	\$0	0	\$0	1	\$3,000	1	\$3,000
TESTING	SY	\$2.10	0	\$0	0	\$0	6,072	\$12,751	6,072	\$12,751
BONDS	%	2.00%	0	\$0	0	\$0	\$391,505	\$7,830	391,505	\$7,830
INSPECTION FEE	%	3.00%	0	\$0	0	\$0	\$391,505	\$11,745	391,505	\$11,745
TOTAL PAVEMENT - COIT ROAD (90' ROW)				\$0		\$0		\$411,080		\$411,080



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	157	145	138	TOTAL	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	41.0	28.0	25.0		94.0
JOB NUMBER:		REVISED BY:		NET AC.	0.0	0.0	0.0		0.0

F.1 EROSION CONTROL - PRESTON ROAD

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
SILT FENCE	LF	\$1.50	6,500	\$9,750	0	\$0	0	\$0	6,500	\$9,750
EROSION CONTROL INSPECTION & MAINTENANCE	LS	\$5,000.00	1	\$5,000	0	\$0	0	\$0	1	\$5,000
TOTAL EROSION CONTROL				\$14,750		\$0		\$0		\$14,750

F.2 EROSION CONTROL - LEGACY DRIVE

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
INLET PROTECTION	EA	\$200.00	8	\$1,600	2	\$400	4	\$800	14	\$2,800
SWPPP	LS	\$5,000.00	0	\$0		\$0	0	\$0	0	\$0
SILT FENCE	LF	\$1.50	9,300	\$13,950	3,200	\$4,800	5,000	\$7,500	17,500	\$26,250
CONSTRUCTION ENTRANCE	EA	\$5,000.00	1	\$5,000	0	\$0	0	\$0	1	\$5,000
CURLEX AFTER PAVING (8' WIDE)	LF	\$1.50	5,180	\$7,770	1,300	\$1,950	2,800	\$4,200	9,280	\$13,920
DRAINAGE EROSION CONTROL	LS	\$2,000.00	1	\$2,000	1	\$2,000	1	\$2,000	3	\$6,000
EROSION CONTROL INSPECTION & MAINTENANCE	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TOTAL EROSION CONTROL				\$35,320		\$14,150		\$19,500		\$68,970

F.3 EROSION CONTROL - COIT ROAD

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
INLET PROTECTION	EA	\$175.00	0	\$0	0	\$0	0	\$0	0	\$0
SWPPP	LS	\$5,000.00	0	\$0	0	\$0	0	\$0	0	\$0
SILT FENCE	LF	\$1.50	0	\$0	0	\$0	2,684	\$4,026	2,684	\$4,026
CONSTRUCTION ENTRANCE	EA	\$2,500.00	0	\$0	0	\$0	0	\$0	0	\$0
CURLEX AFTER PAVING (8' WIDE)	LF	\$1.50	0	\$0	0	\$0	2,684	\$4,026	2,684	\$4,026
ROCK CHECK DAM	EA	\$1,500.00	0	\$0	0	\$0	0	\$0	0	\$0
SEEDING	AC	\$285.00	0	\$0	0	\$0	0	\$0	0	\$0
EROSION CONTROL INSPECTION & MAINTENANCE	LS	\$5,000.00	0	\$0	0	\$0	0	\$0	0	\$0
TOTAL EROSION CONTROL				\$0		\$0		\$8,052		\$8,052



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		NET AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

G. FRANCHISE UTILITIES

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
STREET LIGHTS	EA	\$1,700.00	24	\$40,800	3	\$5,100	6	\$10,200	33	\$56,100
TOTAL FRANCHISE UTILITIES				\$40,800		\$5,100		\$10,200		\$56,100

H. MISCELLANEOUS & OTHER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CITY REVIEW FEES	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3	\$15,000
TOTAL MISCELLANEOUS & OTHER				\$5,000		\$5,000		\$5,000		\$15,000



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	Chalk Hill	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		NET AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

SUMMARY - MASTER PUBLIC IMPROVEMENTS - CITY OF CELINA	MAJOR IMPROVEMENTS				TOTAL
A.1 CLEARING & EXCAVATION - LEGACY DRIVE	\$76,505	\$0	\$0	\$0	\$76,505
A.2 CLEARING & EXCAVATION - COIT	\$0	\$0	\$0	\$0	\$0
B.1 WATER - LEGACY DRIVE	\$166,187	\$0	\$0	\$0	\$166,187
B.2 WATER - PRESTON ROAD	\$94,665	\$0	\$0	\$0	\$94,665
B.3 WATER - COIT ROAD	\$0	\$0	\$0	\$0	\$0
C.1 SEWER - LEGACY DRIVE	\$0	\$0	\$0	\$0	\$0
C.2 SEWER - PRESTON ROAD	\$1,748,283	\$0	\$0	\$0	\$1,748,283
C.3 SEWER - COIT ROAD	\$0	\$0	\$0	\$0	\$0
D.1 STORM SEWER - LEGACY DRIVE	\$500,655	\$0	\$0	\$0	\$500,655
D.2 STORM SEWER - COIT ROAD	\$0	\$0	\$0	\$0	\$0
E.1 PAVEMENT - LEGACY DRIVE	\$759,511	\$0	\$0	\$0	\$759,511
E.2A PAVEMENT - COIT ROAD (90' ROW)	\$0	\$0	\$0	\$0	\$0
F. EROSION CONTROL	\$50,070	\$0	\$0	\$0	\$50,070
G. FRANCHISE UTILITIES	\$40,800	\$0	\$0	\$0	\$40,800
H. MISCELLANEOUS & OTHER	\$5,000	\$0	\$0	\$0	\$5,000
SUB-TOTAL	\$3,441,676	\$0	\$0	\$0	\$3,441,676
SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING (7%)	\$240,917	\$0	\$0	\$0	\$240,917
ROADWAY IMPACT FEES (4.233*#LOTS*694)	\$0	\$0	\$0	\$0	\$0
WATER IMPACT FEES (\$3,276/LOT) (BUILDER)	\$0	\$0	\$0	\$0	\$0
WASTEWATER IMPACT FEES (\$4,631/LOT) (BUILDER)	\$0	\$0	\$0	\$0	\$0
PARK AND OPEN SPACE FEE (\$1500/LOT)	\$0	\$0	\$0	\$0	\$0
DISTRICT FORMATION COSTS	\$355,942	\$0	\$0	\$0	\$355,942
SUB-TOTAL	\$4,038,535	\$0	\$0	\$0	\$4,038,535
MISCELLANEOUS & CONTINGENCY (10%)	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$4,038,535	\$0	\$0	\$0	\$4,038,535

		PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT PRIVATE IMPROVEMENTS - CITY OF CELINA FEBRUARY 7, 2018							
					1	2	3	TOTAL	
PROJECT NAME:	The Chalk Hill - Private Improvements	CREATED BY:	JMC		NO. OF LOTS:	157	145	138	440
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM		GROSS AC.	41.0	28.0	25.0	94.0
JOB NUMBER:		REVISED BY:			PRIVATE AREA AC.	0.0	0.0	0.0	0.0

A. CLEARING & EXCAVATION										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
CLEARING / GRUBBING	AC	\$2,500.00	24.2	\$60,575	23.5	\$58,750	20.9	\$52,250	68.6	\$171,575
CONSTRUCTION ENTRANCE	EA	\$2,000.00	1	\$2,000	1	\$2,000	1	\$2,000	3.0	\$6,000
LOT / BLOCK EXCAVATION	CY	\$2.35	97,743	\$229,696	80,000	\$188,000	70,000	\$164,500	247,743.0	\$582,196
IMPORT	CY	\$8.00	17,316	\$138,528	9,000	\$72,000	15,000	\$120,000	41,316.0	\$330,528
OPEN SPACE FINAL GRADING	LS	\$7,000.00	1	\$7,000	0	\$0	0	\$0	1.0	\$7,000
ROUGH LOT GRADING	EA	\$200.00	157	\$31,400	145	\$29,000	138	\$27,600	440.0	\$88,000
FINAL LOT GRADING	EA	\$140.00	157	\$21,980	145	\$20,300	138	\$19,320	440.0	\$61,600
MOISTURE CONDITIONED PADS	LOT	\$1,500.00	157	\$235,500	145	\$217,500	138	\$207,000	440.0	\$660,000
TOTAL CLEARING & EXCAVATION			\$726,679		\$587,550		\$592,670		\$1,906,899	

B. RETAINING WALLS										
DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
RETAINING WALL (0'-4' DEPTH)	SY	\$10.00	7,300	\$73,000	5,000	\$50,000	4,000	\$40,000	16,300.0	\$163,000
RETAINING WALL (4'+ DEPTH)	SY	\$10.00	17,200	\$172,000	1,000	\$10,000	2,000	\$20,000	20,200.0	\$202,000
TOTAL RETAINING WALLS			\$245,000		\$60,000		\$60,000		\$365,000	



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
PRIVATE IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	The Chalk Hill - Private Improvements	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		PRIVATE AREA AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

C. EROSION CONTROL

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
SWPPP	LS	\$5,000.00	1	\$5,000	1	\$5,000	1	\$5,000	3.0	\$15,000
SILT FENCE (PERIMETER & CREEK PROTECTION)	LF	\$1.50	5,420	\$8,130	5,805	\$8,708	2,951	\$4,427	14,176.0	\$21,264
ROCK CHECK DAM	EA	\$1,500.00	1	\$1,500	0	\$0	0	\$0	1.0	\$1,500
SEEDING	AC	\$300.00	4	\$1,200	0	\$0	2	\$600	6.0	\$1,800
EROSION CONTROL INSPECTION & MAINTENANCE	LOT	\$150.00	157	\$23,550	145	\$21,750	138	\$20,700	440.0	\$66,000
TOTAL EROSION CONTROL				\$39,380		\$35,458		\$30,727		\$105,564

D. AMENITIES, LANDSCAPE, & SCREENING

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
ENTRY OPEN SPACE AND AMENITY CENTER										
BRICK & STONE ENTRYWAY W/ CAST STONE SIGN	EA	\$50,000.00	1	\$50,000.00	0	\$0.00	0	\$0.00	1	\$50,000.00
SCREENING & BUFFERING ALONG ARTERIALS	LF	\$110.00	1,225	\$134,750.00	1,200	\$132,000.00	2,700	\$297,000.00	5125	\$563,750.00
LANDSCAPING ALONG ARTERIALS	LF	\$40.00	1,225	\$49,000.00	1,200	\$48,000.00	2,700	\$108,000.00	5125	\$205,000.00
1" SINGLE OPEN SPACE WATER SERVICE	EA	\$800.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
6" OPEN SPACE SEWER SERVICE	EA	\$800.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
1" SINGLE IRRIGATION SERVICE	EA	\$800.00	3	\$2,400.00	1	\$800.00	3	\$2,400.00	7	\$5,600.00
2" SINGLE IRRIGATION SERVICE	EA	\$1,500.00	1	\$1,500.00	1	\$1,500.00	1	\$1,500.00	3	\$4,500.00
TOTAL FRANCHISE UTILITIES			\$237,650		\$182,300		\$408,900		\$828,850	



**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CELINA TRACT
PRIVATE IMPROVEMENTS - CITY OF CELINA
FEBRUARY 7, 2018**

PROJECT NAME:	The Chalk Hill - Private Improvements	CREATED BY:	JMC	NO. OF LOTS:	1	2	3	TOTAL
CITY:	City of Celina, Collin County, Texas	CHECKED BY:	BSM	GROSS AC.	157	145	138	440
JOB NUMBER:		REVISED BY:		PRIVATE AREA AC.	41.0	28.0	25.0	94.0
					0.0	0.0	0.0	0.0

E. MISCELLANEOUS & OTHER

DESCRIPTION	UNIT	UNIT PRICE	1		2		3		TOTAL	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
MISCELLANEOUS CITY FEES	LS	\$5,000.00	1	\$5,000.00	1	\$5,000.00	1	\$5,000.00	3	\$15,000.00
GEOTECH TESTING	EA	\$220.00	157.00	\$34,540	145.00	\$31,900	138.00	\$30,360		\$96,800
TOTAL MISCELLANEOUS & OTHER				\$39,540		\$36,900		\$35,360		\$111,800

SUMMARY - PRIVATE IMPROVEMENTS - CITY OF CELINA	1	2	3	TOTAL
A. CLEARING & EXCAVATION	\$726,679	\$587,550	\$592,670	\$1,906,899
B. RETAINING WALLS	\$245,000	\$60,000	\$60,000	\$365,000
C. EROSION CONTROL	\$39,380	\$35,458	\$30,727	\$105,564
D. AMENITIES, LANDSCAPE, & SCREENING	\$237,650	\$182,300	\$408,900	\$828,850
E. MISCELLANEOUS & OTHER	\$39,540	\$36,900	\$35,360	\$111,800
SUB-TOTAL	\$1,288,249	\$902,208	\$1,127,657	\$3,318,113
SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING (7%)	\$90,177	\$63,155	\$78,936	\$232,268
ROADWAY IMPACT FEES (4.233*#LOTS*694)	\$0	\$0	\$0	\$0
WATER IMPACT FEES (\$3,276/LOT) (BUILDER)	\$0	\$0	\$0	\$0
WASTEWATER IMPACT FEES (\$4,631/LOT) (BUILDER)	\$0	\$0	\$0	\$0
PARK AND OPEN SPACE FEE (\$1500/LOT)	\$0	\$0	\$0	\$0
SUB-TOTAL	\$1,378,426	\$965,362	\$1,206,592	\$3,550,381
MISCELLANEOUS & CONTINGENCY (10%)	\$0	\$90,221	\$112,766	\$202,986
TOTAL COST	\$1,378,426	\$1,055,583	\$1,319,358	\$3,753,367



PHASE COST SUMMARY

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY
THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT - CITY OF CELINA
FEBRUARY 7, 2018

PHASED TOTAL SUMMARY				
COST TYPE	PHASE 1	PHASE 2	PHASE 3	TOTAL
DIRECT PUBLIC	\$2,882,241	\$4,095,367	\$3,605,066	\$10,582,675
MASTER PUBLIC	\$4,038,535	\$0	\$0	\$4,038,535
PRIVATE	\$1,378,426	\$1,055,583	\$1,319,358	\$3,753,367
TOTAL	\$8,299,203	\$5,150,950	\$4,924,424	\$18,374,577
LOTS:	157	146	138	441
COST PER LOT:	\$52,861	\$35,280	\$35,684	\$41,666

- 1) This estimate is based on the attached concept plan.
- 2) Earthwork quantities do not include costs for rock excavation. A Geotech should be consulted regarding the treatment of cultivated soil and its use on the project.
- 3) Sidewalks adjacent to residential lots are excluded from above costs. Sidewalks are assumed to be constructed by the home builders, except where adjacent to park dedication, collectors, thoroughfare, or open space. ADA ramps are required to be built by the Developer.
- 4) All fees need to be verified by the City of Celina at the time of construction & permitting.
- 5) Turn lanes and deceleration lanes are not included in this cost estimate.
- 6) Construction timing of improvements are assumed to run concurrent with adjacent off-site master infrastructure improvements,.
- Jurisdictional Water of the U.S. permitting is not included in this estimate.
- 8) It is assumed that no additional offsite easements will need to be acquired for the proposed utilities.
- 9) All earthwork numbers are contained to the limits of the ROW. Onsite earthwork numbers have been seperated to the ROW and lots only.

Appendix C

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

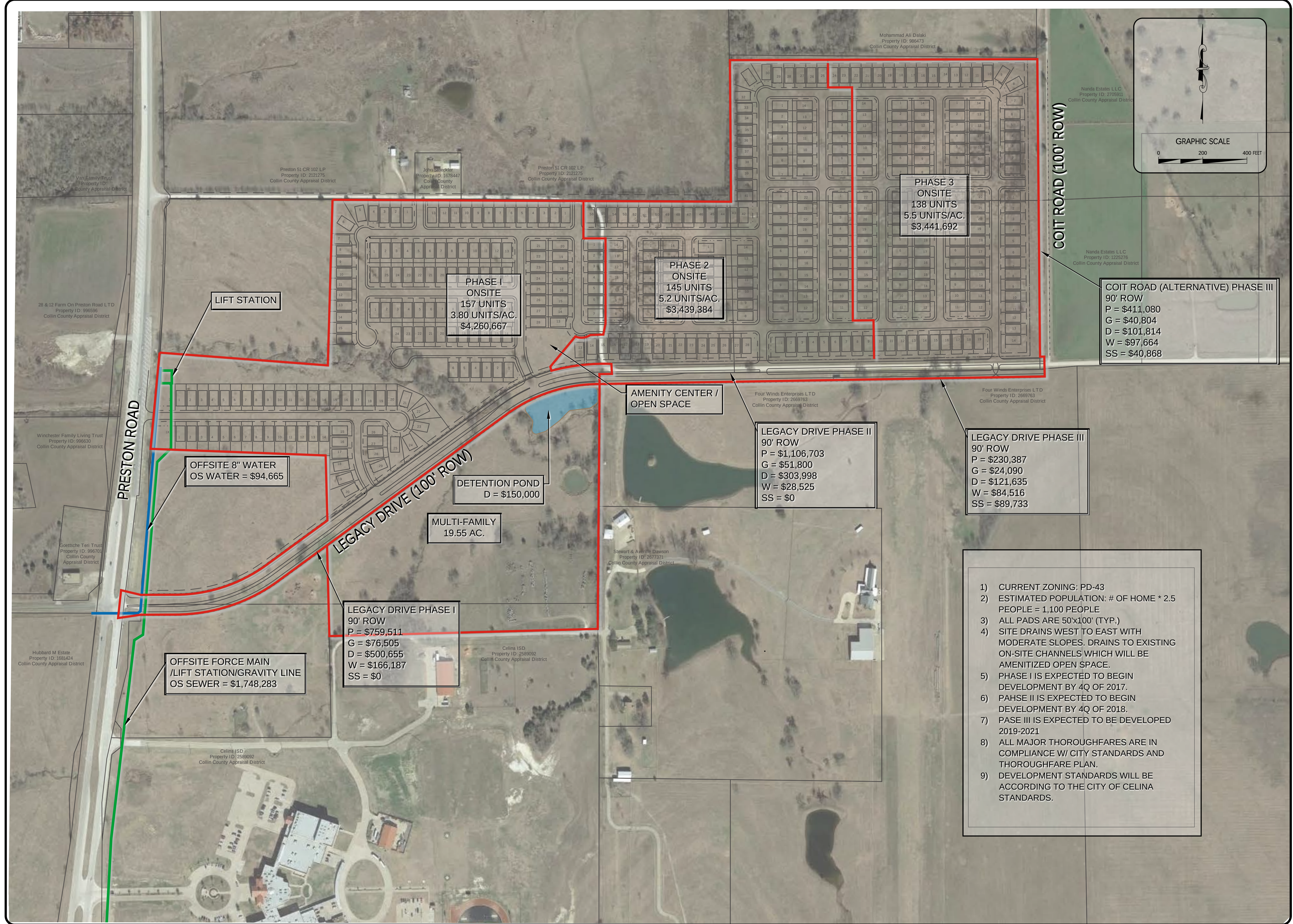


EXHIBIT C

CHALK HILL CONCEPT PLAN

CELINA, TEXAS

SHEET:
V1.1



LIFT STATION

OFFSITE 8" WATER
OS WATER = \$94,665

OFFSITE FORCE MAIN
/LIFT STATION/GRAVITY LINE
OS SEWER = \$1,748,283

PHASE I
ONSITE
157 UNITS
3.80 UNITS/AC.
\$4,260,667

PHASE 2
ONSITE
145 UNITS
5.2 UNITS/AC.
\$3,439,384

PHASE 3
ONSITE
138 UNITS
5.5 UNITS/AC.
\$3,441,692

COIT ROAD (ALTERNATIVE) PHASE III
90' ROW
P = \$411,080
G = \$40,804
D = \$101,814
W = \$97,664
SS = \$40,868

AMENITY CENTER /
OPEN SPACE

DETENTION POND
D = \$150,000

MULTI-FAMILY
19.55 AC.

LEGACY DRIVE PHASE I
90' ROW
P = \$759,511
G = \$76,505
D = \$500,655
W = \$166,187
SS = \$0

LEGACY DRIVE PHASE II
90' ROW
P = \$1,106,703
G = \$51,800
D = \$303,998
W = \$28,525
SS = \$0

LEGACY DRIVE PHASE III
90' ROW
P = \$230,387
G = \$24,090
D = \$121,635
W = \$84,516
SS = \$89,733

- 1) CURRENT ZONING: PD-43
- 2) ESTIMATED POPULATION: # OF HOME * 2.5 PEOPLE = 1,100 PEOPLE
- 3) ALL PADS ARE 50'x100' (TYP.)
- 4) SITE DRAINS WEST TO EAST WITH MODERATE SLOPES. DRAINS TO EXISTING ON-SITE CHANNELS WHICH WILL BE AMENITIZED OPEN SPACE.
- 5) PHASE I IS EXPECTED TO BEGIN DEVELOPMENT BY 4Q OF 2017.
- 6) PHASE II IS EXPECTED TO BEGIN DEVELOPMENT BY 4Q OF 2018.
- 7) PHASE III IS EXPECTED TO BE DEVELOPED 2019-2021
- 8) ALL MAJOR THOROUGHFARES ARE IN COMPLIANCE W/ CITY STANDARDS AND THOROUGHFARE PLAN.
- 9) DEVELOPMENT STANDARDS WILL BE ACCORDING TO THE CITY OF CELINA STANDARDS.



EXHIBIT D

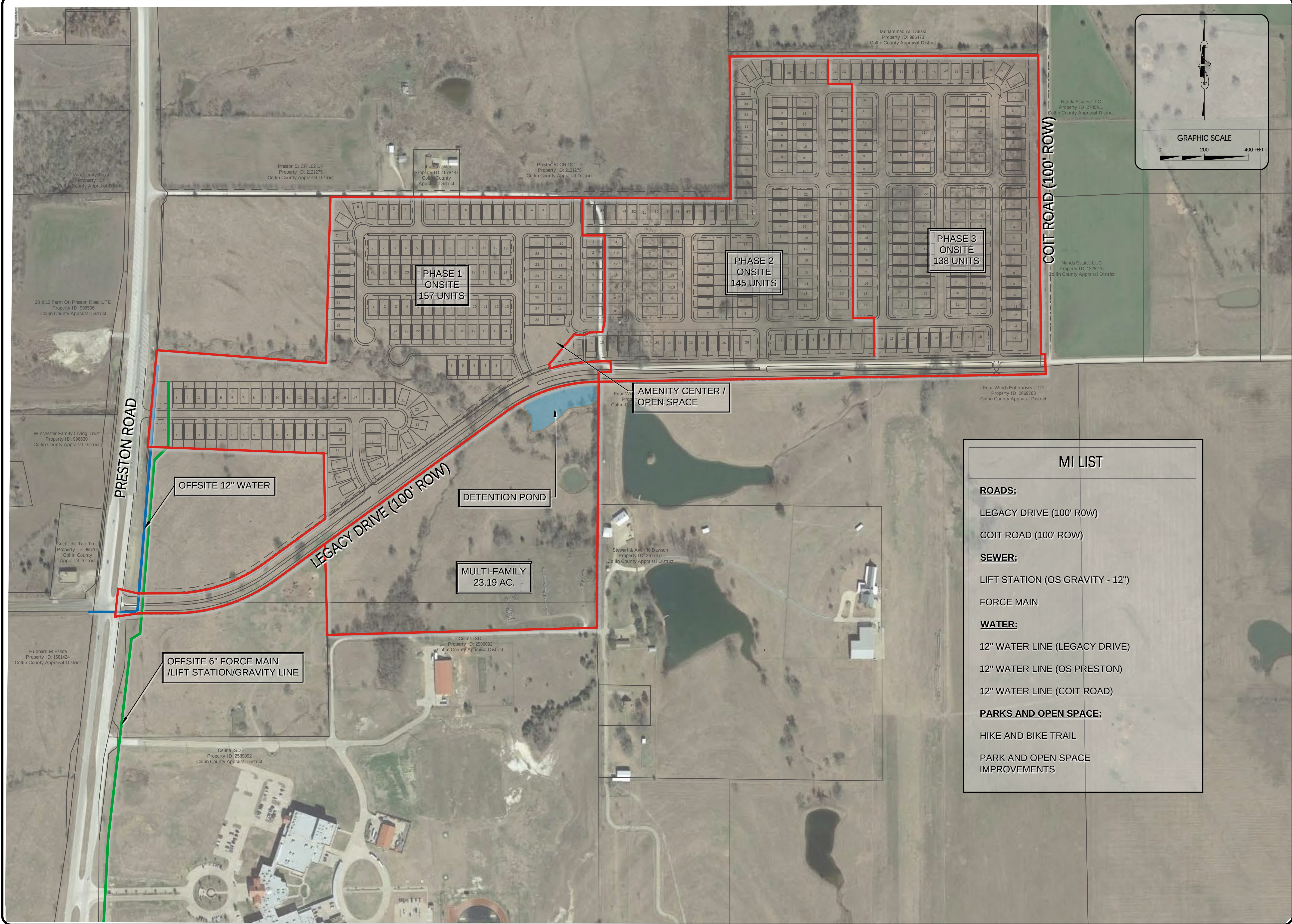
CHALK HILL CONCEPT PLAN

CELINA, TEXAS

SHEET:
V1.1

6/15/17

CEN15001



Appendix D**ASSESSMENT ROLL –Phases #2-3 Major Improvement Assessed Property**

Appendix D
Phase #2 - 3 Major Improvement Assessment Roll

Parcel	All Parcels
Assessment	\$3,690,000
Total Estimated Units	284

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment³
1	\$0	\$258,300	\$25,000	\$283,300
2	\$0	\$258,300	\$25,500	\$283,800
3	\$55,000	\$258,300	\$26,010	\$339,310
4	\$55,000	\$254,450	\$26,530	\$335,980
5	\$60,000	\$250,600	\$27,061	\$337,661
6	\$65,000	\$246,400	\$27,602	\$339,002
7	\$70,000	\$241,850	\$28,154	\$340,004
8	\$70,000	\$236,950	\$28,717	\$335,667
9	\$75,000	\$232,050	\$29,291	\$336,341
10	\$80,000	\$226,800	\$29,877	\$336,677
11	\$85,000	\$221,200	\$30,475	\$336,675
12	\$90,000	\$215,250	\$31,084	\$336,334
13	\$95,000	\$208,950	\$31,706	\$335,656
14	\$100,000	\$202,300	\$32,340	\$334,640
15	\$110,000	\$195,300	\$32,987	\$338,287
16	\$115,000	\$187,600	\$33,647	\$336,247
17	\$120,000	\$179,550	\$34,320	\$333,870
18	\$130,000	\$171,150	\$35,006	\$336,156
19	\$135,000	\$162,050	\$35,706	\$332,756
20	\$145,000	\$152,600	\$36,420	\$334,020
21	\$155,000	\$142,450	\$37,149	\$334,599
22	\$165,000	\$131,600	\$37,892	\$334,492
23	\$175,000	\$120,050	\$38,649	\$333,699
24	\$185,000	\$107,800	\$39,422	\$332,222
25	\$195,000	\$94,850	\$40,211	\$330,061
26	\$205,000	\$81,200	\$41,015	\$327,215
27	\$220,000	\$66,850	\$41,835	\$328,685
28	\$230,000	\$51,450	\$42,672	\$324,122
29	\$245,000	\$35,350	\$43,526	\$323,876
30	\$260,000	\$18,200	\$44,396	\$322,596
Total	\$3,690,000	\$5,209,750	\$1,014,202	\$9,913,952

1 - The principal and interest amounts are estimated using 6% 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.

3 - Amounts shown do not include any TIRZ Credit.

Attachment: Chalk Hill PID No. 2 Phase 2-3 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phases 2-3))

Projected Annual Installment per Lot

Lot Type	50 Ft
Assessment	\$12,993
Equivalent Units	1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment³
1	\$0	\$910	\$88	\$998
2	\$0	\$910	\$90	\$999
3	\$194	\$910	\$92	\$1,195
4	\$194	\$896	\$93	\$1,183
5	\$211	\$882	\$95	\$1,189
6	\$229	\$868	\$97	\$1,194
7	\$246	\$852	\$99	\$1,197
8	\$246	\$834	\$101	\$1,182
9	\$264	\$817	\$103	\$1,184
10	\$282	\$799	\$105	\$1,185
11	\$299	\$779	\$107	\$1,185
12	\$317	\$758	\$109	\$1,184
13	\$335	\$736	\$112	\$1,182
14	\$352	\$712	\$114	\$1,178
15	\$387	\$688	\$116	\$1,191
16	\$405	\$661	\$118	\$1,184
17	\$423	\$632	\$121	\$1,176
18	\$458	\$603	\$123	\$1,184
19	\$475	\$571	\$126	\$1,172
20	\$511	\$537	\$128	\$1,176
21	\$546	\$502	\$131	\$1,178
22	\$581	\$463	\$133	\$1,178
23	\$616	\$423	\$136	\$1,175
24	\$651	\$380	\$139	\$1,170
25	\$687	\$334	\$142	\$1,162
26	\$722	\$286	\$144	\$1,152
27	\$775	\$235	\$147	\$1,157
28	\$810	\$181	\$150	\$1,141
29	\$863	\$124	\$153	\$1,140
30	\$915	\$64	\$156	\$1,136
Total	\$12,993	\$18,344	\$3,571	\$34,908

1 - The principal and interest amounts are estimated using 6% 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.

3 - Amounts shown do not include any TIRZ Credit.

Appendix E**ASSESSMENT ROLL – Phase #1 Assessed Property**

Appendix E

Phase #1 Assessment Roll

Parcel
Assessment
Total Estimated Units

All Parcels
 \$4,325,000
 157

Year	Principal ¹	Interest ¹	Administrative Expenses ³	Total Annual Installment ⁴
1	\$0	\$291,938	\$30,000	\$321,938
2	\$0	\$291,938	\$30,600	\$322,538
3	\$65,000	\$291,938	\$31,212	\$388,150
4	\$65,000	\$287,550	\$31,836	\$384,386
5	\$70,000	\$283,163	\$32,473	\$385,635
6	\$75,000	\$278,438	\$33,122	\$386,560
7	\$80,000	\$273,375	\$33,785	\$387,160
8	\$85,000	\$267,975	\$34,461	\$387,436
9	\$90,000	\$262,238	\$35,150	\$387,387
10	\$95,000	\$256,163	\$35,853	\$387,015
11	\$100,000	\$249,750	\$36,570	\$386,320
12	\$105,000	\$243,000	\$37,301	\$385,301
13	\$115,000	\$235,913	\$38,047	\$388,960
14	\$120,000	\$228,150	\$38,808	\$386,958
15	\$125,000	\$220,050	\$39,584	\$384,634
16	\$135,000	\$211,613	\$40,376	\$386,989
17	\$145,000	\$202,500	\$41,184	\$388,684
18	\$150,000	\$192,713	\$42,007	\$384,720
19	\$160,000	\$182,588	\$42,847	\$385,435
20	\$170,000	\$171,788	\$43,704	\$385,492
21	\$180,000	\$160,313	\$44,578	\$384,891
22	\$190,000	\$148,163	\$45,470	\$383,632
23	\$200,000	\$135,338	\$46,379	\$381,717
24	\$215,000	\$121,838	\$47,307	\$384,144
25	\$225,000	\$107,325	\$48,253	\$380,578
26	\$240,000	\$92,138	\$49,218	\$381,356
27	\$255,000	\$75,938	\$50,203	\$381,140
28	\$270,000	\$58,725	\$51,207	\$379,932
29	\$285,000	\$40,500	\$52,231	\$377,731
30	\$315,000	\$21,263	\$53,275	\$389,538
Total	\$4,325,000	\$5,884,313	\$1,217,042	\$11,426,355

1 - The principal and interest amounts are estimated using 6.25% 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.

3- Amounts shown do not include any TIRZ Credit.

Attachment: Chalk Hill PID No. 2 Phase 2-3 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phases 2-3))

Projected Annual Installment per Lot

Lot Type	50 Ft
Assessment	\$27,548
Equivalent Units	1.00

Year	Principal¹	Interest¹	Administrative Expenses²	Total Annual Installment³
1	\$0	\$1,859	\$191	\$2,051
2	\$0	\$1,859	\$195	\$2,054
3	\$414	\$1,859	\$199	\$2,472
4	\$414	\$1,832	\$203	\$2,448
5	\$446	\$1,804	\$207	\$2,456
6	\$478	\$1,773	\$211	\$2,462
7	\$510	\$1,741	\$215	\$2,466
8	\$541	\$1,707	\$219	\$2,468
9	\$573	\$1,670	\$224	\$2,467
10	\$605	\$1,632	\$228	\$2,465
11	\$637	\$1,591	\$233	\$2,461
12	\$669	\$1,548	\$238	\$2,454
13	\$732	\$1,503	\$242	\$2,477
14	\$764	\$1,453	\$247	\$2,465
15	\$796	\$1,402	\$252	\$2,450
16	\$860	\$1,348	\$257	\$2,465
17	\$924	\$1,290	\$262	\$2,476
18	\$955	\$1,227	\$268	\$2,450
19	\$1,019	\$1,163	\$273	\$2,455
20	\$1,083	\$1,094	\$278	\$2,455
21	\$1,146	\$1,021	\$284	\$2,452
22	\$1,210	\$944	\$290	\$2,444
23	\$1,274	\$862	\$295	\$2,431
24	\$1,369	\$776	\$301	\$2,447
25	\$1,433	\$684	\$307	\$2,424
26	\$1,529	\$587	\$313	\$2,429
27	\$1,624	\$484	\$320	\$2,428
28	\$1,720	\$374	\$326	\$2,420
29	\$1,815	\$258	\$333	\$2,406
30	\$2,006	\$135	\$339	\$2,481
Total	\$27,548	\$37,480	\$7,752	\$72,779

1 - The principal and interest amounts are estimated using 6.25% 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.

3- Amounts shown do not include any TIRZ Credit.

Attachment: Chalk Hill PID No. 2 Phase 2-3 & SAP - v5.0 (Chalk Hill Levy & Assessment Ordinance and Final SAP (Phases 2-3))



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: March 23, 2018
Re: Chalk Hill Bond Ordinance (Phases 2-3)

Action Requested:

Consider and act upon an ordinance of the City Council of the City of Celina, Texas, approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2 – 3 Major Improvement Project) and approving and authorizing related agreements. (Chalk Hill Ph 2-3 PID Bonds) (DeBuff)

Background Information:

This ordinance approves the issuance of revenue bonds for Chalk Hill Public Improvement District No 2, Phases #2-3.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This ordinance has been reviewed by the city attorney.

Supporting Documents:

- Proposed ordinance

Staff Recommendation:

Staff recommends approval.

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASES #2 – 3 MAJOR IMPROVEMENT PROJECT); APPROVING AND AUTHORIZING RELATED AGREEMENTS, AND PROVIDING FOR AN EFFECTIVE DATE.

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 "Chalk Hill Public Improvement District No. 2" (the "District"), pursuant to Resolution No. 2017-212R adopted by the City Council of the City (the "City Council") on December 12, 2017; and

WHEREAS, pursuant to the PID Act, the City Council published notice of and opened a public hearing on February 13, 2018 and recessed that public hearing until March 23, 2018 at which time the City Council continued the public hearing regarding the levy of special assessments against benefitted property located in Phases #2 – 3 of the District and after hearing testimony at such public hearing, the City Council closed the public hearing and adopted Ordinance No. _____ (the "Phases #2 – 3 Assessment Ordinance") on March 23, 2018; and

WHEREAS, in the Phases #2 – 3 Assessment Ordinance, the City Council approved and accepted the Chalk Hill Public Improvement District No. 2 Service and Assessment Plan, dated March 23, 2018 (the "Service and Assessment Plan") relating to the District and levied the "Phases #2 – 3 Assessments" (as defined in the Phases #2 – 3 Assessment Ordinance, the "Assessments") against the "Phases 2 – 3 Assessed Property" (as defined in the Service and Assessment Plan) as shown on the "Phases #2 – 3 Assessment Roll" (as defined and described in the Service and Assessment Plan, the "Assessment Roll"). 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 Assessments and other revenues received for the purposes of (i) paying a portion of the Actual Costs of the Phases #2 – 3 Major Improvement Projects, 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 – 3 Major Improvement Projects, (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 (Chalk Hill Public Improvement District No. 2 Phases #2 – 3 Major Improvement 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 Phases #2 – 3 Major Improvement Projects 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 a Preliminary Limited Offering Memorandum and a Limited Offering Memorandum (defined below), (v) approve the form, terms and provisions of a Continuing Disclosure Agreement (defined below), (vi) approve the form, terms and provisions of a Landowner Agreement (defined below), (vii) approve the form, terms and provisions of a CFA Agreement (defined below), and (viii) approve the form, terms and provisions of a Redemption Agreement.

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 – 3 Major Improvement Projects, as defined in the Indenture, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phases #2 – 3 Major Improvement Projects, (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 April 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. 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), CADG Celina 156, LLC, a Texas limited liability company (the "Developer") 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 City Manager, Mayor and Mayor Pro Tem 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 Agreement. That certain Landowner Agreement (the "Landowner Agreement"), between the City and the entity defined in the Landowner Agreement as the "Landowner" is hereby authorized and approved in substantially the form attached hereto as **Exhibit D** which is incorporated herein as a part hereof for all purposes and the Mayor or Mayor Pro Tem is each hereby authorized and directed to execute and deliver such Landowner Agreement with such changes as may be required to carry out the purposes of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 6. CFA Agreement. That certain agreement titled Chalk Hill Public Improvement District No. 2 Phases #2 – 3 Major Improvements Construction, Funding, and Acquisition Agreement (the "CFA Agreement") between the City and the Developer is hereby

authorized and approved in substantially the form attached hereto as **Exhibit E** which is incorporated herein as a part hereof for all purposes and the Mayor or Mayor Pro Tem is hereby authorized and directed to execute and deliver such CFA Agreement with such changes as may be required to carry out the purpose of this Ordinance and then as approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof. The Mayor's or Mayor Pro Tem's signature on the CFA Agreement may be attested by the City Secretary.

SECTION 7. Redemption Agreement. That certain agreement titled CADG Celina 156, LLC Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Chalk Hill Public Improvement District No. 2 (the "Redemption Agreement") between the City and the Developer is hereby authorized and approved substantially in the form attached hereto as **Exhibit F** which is incorporated herein as a part hereof for all purposes and the Mayor or Mayor Pro Tem 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 then as approved by the Mayor or Mayor Pro Tem, such approved to be evidenced by the execution thereof. The Mayor's or Mayor Pro Tem's signature on the Redemption Agreement may be attested by the City Secretary.

SECTION 8. 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 Authorized Improvements.

SECTION 9. 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 10. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 11. 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 12. 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 13. 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 14. 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 _____.

CITY OF CELINA, TEXAS

Mayor Pro Tem

ATTEST:

City Secretary

(City Seal)

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 APRIL 1, 2018

SECURING

\$3,690,000

CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2
PHASES # 2 – 3 MAJOR IMPROVEMENT PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of April 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 in the city limits of the City to be known as the Chalk Hill Public Improvement District No. 2 (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 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 December 12, 2017, 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 December 12, 2017, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2017-212R 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 December 15, 2017, 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 December 12, 2017; and

WHEREAS, on December 12, 2017, the City Council by Resolution No. 2017-214R 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 February 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 February 13, 2018 hearing; and

WHEREAS, on December 22, 2017, 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 "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 opened the hearing on February 13, 2018, and continued the hearing to March 23, 2018; and

WHEREAS, the City Council convened the hearing on March 23, 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 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 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 March 23, 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 Costs of the Phases #2 – 3 Major Improvement Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phases #2 – 3 Major Improvement Projects, (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 (Chalk Hill Public Improvement District No. 2 Phases #2 – 3 Major Improvement 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 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.

“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 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 Collection Costs” 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.

“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 Assessment as shown on the Assessment Roll attached to the Service and Assessment Plan as Appendix D and related to the Bonds and the Phases #2 – 3 Major Improvement Projects, (ii) administrative expenses, (iii) the additional per annum interest payment equivalent to .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 Phases #2 – 3 of the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

"Assessment Ordinance" means Ordinance No. _____ adopted by the City Council on March 23, 2018, that levied the Assessments on the 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 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 Appendix D 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 Assessed Parcel related to the Bonds and the Phases #2 – 3 Major Improvement Projects, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

"Assessments" means the aggregate assessments shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

"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 Appendix B of the Service and Assessment Plan, for which 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 Ordinance” means Ordinance No. _____ adopted by the City Council on March 23, 2018 authorizing the issuance of the Bonds pursuant to this Indenture.

“Bond Pledged Revenue Account” means the Account of such name established pursuant to Section 6.1.

“Bond Year” means the one-year period beginning on September 1 in each year and ending on August 31 in the following year.

“Bonds” means the City's bonds authorized to be issued by Section 3.1(a) of this Indenture entitled “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2 – 3 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.

“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 “Chalk Hill Public Improvement District No. 2 Phases #2 – 3 Major Improvements Construction, Funding, and Acquisition Agreement” dated as of March 23, 2018, between the City and the Developer associated with the Bonds, which relates to the levying and collection of Assessments, the construction of the Phases #2 – 3 Major Improvement Projects, the maintenance of the Phases #2 – 3 Major Improvement Projects, the issuance of bonds and other matters related thereto.

"Costs" means the costs of the Authorized Improvements, including the Phases #2 – 3 Major Improvement Projects.

"Costs of Issuance Account" means the Account of such name established pursuant to Section 6.1.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

"Delinquent Collection Costs" means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of a delinquent Assessment, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located in St. Paul, Minnesota, or such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Developer" means CADG Celina 156, LLC, a Texas limited liability company (including its successors and assigns).

"Development Agreement" means the "Development Agreement, Chalk Hill Public Improvement District Agreement, and Tax Increment Reinvestment Zone Agreement" by and between the City and the Developer effective, October 13, 2017, 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.

"Developer Improvement Account" means the Account of such name established pursuant to Section 6.1.

"Developer Property Tax 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 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.

“Future Phases” means Phases that are fully developed after Phases #2 - 3, as such areas are generally depicted in Appendix A of the Service and Assessment Plan. The Future Phases are subject to adjustment shown in Appendix A of the Service and Assessment Plan are shown for example only.

“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 September 1, 2018.

“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 CADG Celina 156, LLC, a Texas limited liability company (including its successors and assigns).

"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 the Service and Assessment Plan that specially benefit the Parcels within the Phase.

"Phase #1" means the initial phase to be developed within the District and further identified and described in the Service and Assessment Plan.

"Phase #1 Assessed Parcel" means each respective parcel of land located within Phase #1 against which a Phase #1 Assessment is levied in accordance with the assessment roll relating to the Phase #1 Improvements attached as Appendix E of the Service and Assessment Plan.

"Phase #1 Assessment" means the assessment levied against a Phase #1 Assessed Parcel as shown on the assessment roll relating to Phase #1, attached as Appendix 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, and related to the Phase #1 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.

"Phase #1 Bond Indenture" means the Indenture of Trust between the City and U.S. Bank, National Association, dated as of April 1, 2018 securing the Phase #1 Bonds 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 thereof.

"Phase #1 Bonds" means the City's bonds entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phase #1 Project)" to be issued concurrently with the Bonds to finance the Phase #1 Improvements and secured by Phase #1 Assessments in accordance with the assessment roll for Phase #1 of the District attached as Appendix E to the Service and Assessment Plan.

"Phase #1 Improvements" means the Authorized Improvements which will benefit Phase #1 Assessed Parcels, and which include a pro-rata share of the Major Improvements allocable to Phase #1, all as more particularly described in Section III.C of the Service and Assessment Plan.

"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" means the phases to be developed within the District subsequent to Phase #1 and further identified and depicted in Appendix C of the Service and Assessment Plan or in any Annual Service Plan Update.

"Phases #2 – 3 Assessed Parcel" means each respective parcel of land located within Phases #2 – 3 of the District against which an Assessment is levied in accordance with the Assessment Roll attached as Appendix D to the Service and Assessment Plan.

"Phases #2 – 3 Major Improvement Account" means the Account of such name established pursuant to Section 6.1.

"Phases #2 – 3 Major Improvement Projects" means the Authorized Improvements which will benefit the Assessed Parcels and which include a pro-rata share of the Major Improvements allocable to Phases #2 – 3, all as more particularly described in Section III.B 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.

"Pledged Funds" means the Pledged Revenue Fund, the Bond Fund, the Project Fund (but 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 Annual Collection Costs and (b) Foreclosure Proceeds, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds.

"Prepayment" means the payment of all or a portion of an 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 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.

“Refunding Bonds” means bonds issued pursuant to the PID Act and/or Chapter 1207 of the Texas Government Code or any other applicable law of the State of Texas (each as heretofore and hereinafter amended) to refund all or any portion of the then-Outstanding Bonds.

“Register” means the register specified in Article III of this Indenture.

“Reserve Account” means the Account of such name established pursuant to Section 6.1.

“Reserve 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 Fund 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 Fund 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 Fund 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 Fund Requirement.

“Service and Assessment Plan” means the document, including the Assessment Roll, as amended, including any annual updates thereto 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 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 \$3,690,000 for the purpose of (i) paying a portion of the Costs of the Phases #2 – 3 Major Improvement Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phases #2 – 3 Major Improvement Projects, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated April 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 September 1, 2018 computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest as set forth below:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
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(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Construction Funding Agreement;
- (d) a copy of this Indenture executed by the Trustee and the City; and
- (e) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

(a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 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:

Term Bonds Maturing September 1, 20

<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>
------------------------	-------------------------

* 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 Interest Payment 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.

Redemption Date

Redemption Price

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(d), 6.3(e), 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) 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) Prepayment and Delinquency Reserve Account.

(iii) The following Accounts are hereby created and established under the Project Fund:

- (A) Phases #2 – 3 Major Improvement Account;
- (B) Developer Improvement Account; and
- (C) Costs of Issuance Account.

(iv) The following Account is hereby created and established under the Pledged Revenue Fund:

(A) Bond Pledged Revenue Account.

(v) The following Accounts are hereby created and established under the Administrative Fund:

(A) Developer Property Tax Account; and

(B) 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: \$_____; and
- (v) to the Phases #2 – 3 Major Improvement Account of the Project Fund: \$_____.

(b) Funds received from the Developer on the Closing Date in the amount of \$_____ shall be deposited to the Developer Improvement Account of the Project Fund.

(c) Funds received from the Developer on the Closing Date in the amount of \$_____ 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 with the year 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 Fund 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 Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

(g) Any Assessments remaining after satisfying the foregoing payments may be used for any lawful purpose for which Assessments may be used under the PID Act.

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. 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 Phases #2 – 3 Major 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 Phases #2 – 3 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 – 3 Major Improvement Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Phases #2 – 3 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 Phases #2 – 3 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 – 3 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.

(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 Phases #2 – 3 Major Improvement Projects have been completed and that all Costs of the Phases #2 – 3 Major Improvement Projects have been paid, or that any such Costs are not required to be paid from the Phases #2 – 3 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 (excluding the amount in the Developer Improvement Account) to the Bond Fund, (ii) shall transfer any remaining amount in the Developer Improvement Account of the Project Fund to the Developer, and (iii) the Project Fund shall be closed.

(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 Fund 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 Fund 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 Annual Collection Costs 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 _____ 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 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 the Annual Collection Costs 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 Administrative 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 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 Assessment Ordinance, it has levied the 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 the Developer to reimburse it for its funds it has contributed to pay costs of the Phases #2 – 3 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 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 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, 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 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 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 Annual Collection Costs) 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 Annual Collection Costs. 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 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 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 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 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 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. In addition, the City reserve the right to issue Phased PID Bonds as described below, which Phased PID Bonds will not be secured by the Trust Estate.

(d) The City reserves the right to issue Phased PID Bonds, to finance the cost of future local improvements within each of the Future Phases as the development proceeds. Such Phased PID Bonds shall be secured by separate assessments levied on the Assessed Property in such Future Phase. The City may, but is under no obligation to, issue Additional Obligations, including Phased PID Bonds, for any purpose permitted by the PID Act in accordance with the conditions set forth in this Section.

(e) The City reserves the right to issue Phased PID Bonds, but shall be under no obligation to issue Phased PID Bonds, subject to the following conditions:

(i) At least 50% of the residential lots within the particular Future Phase of the District for which improvements are financed by the Phased PID Bonds must be under contract;

(ii) The ratio of the appraised value of all the land in any Future Phase, based on an independent appraisal and assuming completion of the improvements within such Future Phase, to the principal amount of the Phased PID Bonds being issued to finance improvements within such Future Phase must be at least 3:1;

(iii) Construction plans for the improvements to be constructed in the Future Phase (the "Future Phase Improvements") to be paid for with proceeds of the applicable series of Phased PID Bonds must be submitted to the City for approval; and

(iv) Phased PID Bonds may be issued only for the purposes of financing Future Phase 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 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
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402
Attn: Bond Operations

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

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
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2
PHASES #2 – 3 MAJOR IMPROVEMENT 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 September 1, 2018, 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 April 1, 2018 and issued in the aggregate principal amount of \$3,690,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of April 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 Phases #2 – 3 Major Improvement Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phases # 2 – 3 Major Improvement Projects, (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 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 \$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 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>
------------------------	-------------------------

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>
------------------------	-------------------------

* 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 Interest Payment 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.

Redemption DateRedemption Price

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 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 in paragraphs (a) through (d) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
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(Information to be inserted from Section 3.2(c) hereof); and

(iii) the Initial Bond shall be numbered T-1.

BOND PURCHASE AGREEMENT

\$(PAR AMOUNT)
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASES #2-3 MAJOR
IMPROVEMENT PROJECT)

BOND PURCHASE AGREEMENT

March 23, 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 \$(PAR AMOUNT) aggregate principal amount of the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2-3 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 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 Phases #2-3 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 April 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 April 12, 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 March 23, 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 April 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 #2-3 of the Chalk Hill Public Improvement District No. 2 (the "District"). The District was established by Resolution No. 2017-212R (the "Creation Resolution"), enacted by the City Council on December 12, 2017, in accordance with the Act. A Service and Assessment Plan (the "Service and Assessment Plan") which sets forth the costs of the Phases #2-3 Major Improvements and the method of payment of the Assessments was adopted pursuant to an ordinance of the City Council adopted on March 23, 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 Phases #2-3 Major 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 Phases #2-3 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 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 March 16, 2018, as updated March 19, 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 and Plan of Finance," "BOOK-ENTRY ONLY SYSTEM," "THE PHASES #2-3 MAJOR IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER,"

“BONDHOLDERS' RISKS” (only as it pertains to the Developer, the Phases #2-3 Major Improvements and the Development), “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR,” “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE – 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 “Development Agreement, Chalk Hill Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement” relating to the District, effective October 13, 2017, and executed and delivered by the City and the Developer (the “Development Agreement”);

(4) “Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding and Acquisition Agreement”, effective March 23, 2018, 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 April 1, 2018 (the “City Continuing Disclosure Agreement”), executed and delivered by the City, MuniCap Inc., and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc., as Dissemination Agent;

(6) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation with respect to Phases #2-3 of the District executed by the City, the Developer and the Trustee, dated as of March 23, 2018 (the “Redemption Waiver Agreement”); and

(7) the Landowner Agreement dated as of March 23, 2018 executed by the City and the Developer (the “Landowner Agreement”);

(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 Agreement, (6) the City Continuing Disclosure Agreement, (7) the Limited Offering Memorandum, (8) the Redemption Waiver Agreement 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 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 and Plan of Finance,” “BOOK-ENTRY ONLY SYSTEM,” “THE PHASES #2-3 MAJOR IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS' RISKS” (only as it

pertains to the Developer, the Phases #2-3 Major Improvements and the Development), “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR,” “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE – The Developer,” and “INFORMATION RELATING TO THE TRUSTEE.”

(k) Limited Offering Memorandum. At the time of the City’s acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the 25th day subsequent to the “end of the underwriting period,” the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of DTC, or its book-entry-only system, and (ii) the City makes no representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE — Development Plan and Plan of Finance,” “BOOK-ENTRY ONLY SYSTEM,” “THE PHASES #2-3 MAJOR IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phases #2-3 Major Improvements and the Development), “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR,” “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE – 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 Law, 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 Landowner Agreement, the Redemption Waiver Agreement and the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of April 1, 2018 (the “Continuing Disclosure Agreement of the Developer,” and together with the Developer Letter of Representations, the Development Agreement, the CFA Agreement, the Redemption Waiver Agreement and the Landowner Agreement, the “Developer

Documents”), executed and delivered by the Developer and MuniCap, Inc. as dissemination agent and PID Administrator; 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 #2-3 Major 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) ~~(a)~~ 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 (Chalk Hill Public Improvement District No. 2 Phase #1 Project).”

(e) ~~(b)~~ Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 9 below.

(f) ~~(c)~~ 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 Agreement, the City Continuing Disclosure Agreement, the Redemption Waiver 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 ~~of the City~~; 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 March 11, 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, Landowner Agreement, and Redemption Waiver Agreement. 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 Phases #2-3 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, (iii) the Landowner Agreement and (iv) the Redemption Waiver Agreement have been filed of record in the real property records of Collin County, Texas.

(r) Lender Consent Certificate. Lender Consent Certificate of Chambers Bank and any other lienholder on land in Phases #2-3 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 Phases #2-3 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 ~~of the City~~ 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 any retail distribution agreement, if applicable, 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 retail distribution agreement, as applicable, to (i) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. 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 retail 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 retail 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 retail 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) 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 806.051, 807.051, 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

\$[PAR AMOUNT]
 CITY OF CELINA, TEXAS
 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
 (CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASES #2-3 MAJOR
 IMPROVEMENT PROJECT)

Interest Accrues From: April 1, 2018

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____ %^{(a), (c)}

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____ %^{(a), (b), (c)}

- (a) The initial prices or yields of the Bonds are furnished by the Underwriter, have been determined in accordance with the 10% test, and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any Interest Payment Date on or after September 1, 20__, at the redemption prices 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 Term 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.

<u>\$ _____ Term Bonds Maturing September 1, 20__</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	

<u>\$ _____ Term Bonds Maturing September 1, 20__</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

\$(PAR AMOUNT)
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 Phases #2-3 Major
Improvement Project)

DEVELOPER LETTER OF REPRESENTATIONS

March 16, 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 \$(PAR AMOUNT) “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2-3 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, CADG Celina 156, 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 Phases #2-3 Major 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 Development Agreement, Chalk Hill Public Improvement District No. 2 Agreement and Tax Increment Reinvestment Zone Agreement between the Developer and the City, effective October 13, 2017;
- (c) that certain Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding and Acquisition Agreement, effective March 23, 2018, and executed and delivered by the City and the Developer;
- (d) that certain Landowner Agreement dated as of March 23, 2018, executed and delivered by the City and the Developer;
- (e) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation with respect to Phases #2-3 of the District executed by

the City, the Developer and the Trustee, dated as of March 23, 2018 (the “Redemption Waiver Agreement”); and

(f) that certain Continuing Disclosure Agreement of the Developer, dated as of April 1, 2018 made by and among the Developer and MuniCap, Inc., as dissemination agent and 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 and Plan of Finance,” “THE PHASES #2-3 MAJOR IMPROVEMENTS” “THE DEVELOPMENT,” “THE DEVELOPER” and “CONTINUING DISCLOSURE — 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

#2-3 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 #2-3 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 Plan of Finance,” “THE PHASES #2-3 MAJOR IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Phases #2-3 Major Improvements, and the Development), “LEGAL MATTERS — Litigation – The Developer,” and “CONTINUING DISCLOSURE — The Developer”, 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.

[Signatures to Follow]

CADG Celina 156, 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

APPENDIX B

\$(PAR AMOUNT)

CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASES #2-3 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, 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 March 23, 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: _____

Dated: _____, 2018

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)

APPENDIX C

[LETTERHEAD OF MESSER, ROCKEFELLER & FORT]

April 12, 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

\$[PAR AMOUNT]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASES #2-3 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 \$[PAR AMOUNT] “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2-3 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 March 23, 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 April 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. 2017-212R (the “Creation Resolution”), enacted by the City Council on December 12, 2017.

(b) The Ordinance No. _____, adopted by the City Council on March 23, 2018 (the “Assessment Ordinance”).

(c) The Bond Ordinance.

(d) The Indenture.

(e) That certain Development Agreement, Chalk Hill Public Improvement District No. 2 Agreement and Tax Increment Reinvestment Zone Agreement, effective as of October 13, 2017, between the City and the Developer and recorded on January 5, 2018 as document 20180105000023660 in the deed records of Collin County, Texas (the “Development Agreement”).

(f) That certain Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation with respect to Phases #2-3 of the District executed by the City, the Developer and the Trustee, dated as of March 23, 2018 (the “Redemption Waiver Agreement”).

(g) That certain Continuing Disclosure Agreement of Issuer, dated as of April 1, 2018, executed and delivered by the City, MuniCap, Inc. and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc. (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 Phases #2-3 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 LAW]

April 12, 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

\$[PAR AMOUNT]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASES #2-3 MAJOR
IMPROVEMENT PROJECT)

Ladies & Gentlemen:

We have acted as special counsel to CADG Celina 156, LLC, a Texas limited liability company (the “*Developer*”) in connection with the issuance and sale by the City of Celina, Texas (the “*City*”), of \$[PAR AMOUNT] City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvement Project) (the “*Bonds*”), pursuant to the Indenture of Trust dated as of April 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 "Chalk Hill" (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 March 23, 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 *Development Agreement, Chalk Hill Public Improvement District No. 2 Agreement and Tax Increment Reinvestment Zone Agreement*, effective as of October 13, 2017, between the City and the Developer;

(2) *Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding and Acquisition Agreement*, effective March 23, 2018, and executed and delivered by the City and the Developer;

(3) the *Landowner Agreement*, dated as of March 23, 2018, between the City and the Developer;

(4) the *Continuing Disclosure Agreement of Developer* dated as of April 1, 2018 among the Developer, Municap, Inc., as Administrator and Municap Inc., as Dissemination Agent;

(5) the *Developer Letter of Representations* dated as of March 16, 2018;

(6) the *Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation* with respect to Phases #2-3 of the District executed by the City, the Developer and the Trustee, dated as of March 23, 2018 (the “*Redemption Waiver Agreement*”);

(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 March 16, [2018, as updated March 19, 2018](#) relating to the issuance of the Bonds (the “*Preliminary Limited Offering Memorandum*”);

(d) The final Limited Offering Memorandum, dated March 23, 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 and Plan of Finance,*” “*THE PHASES #2-3 MAJOR IMPROVEMENTS,*” “*THE DEVELOPMENT,*” “*THE DEVELOPER,*” “*BONDHOLDERS’ RISKS*” (only as it pertains to the Developer, the Phases #2-3 Major Improvements, and the Development, as defined in the Limited Offering Memorandum), “*LEGAL MATTERS — Litigation — The Developer,*” and “*CONTINUING DISCLOSURE — 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,

Robert Miklos

APPENDIX E

CLOSING CERTIFICATE OF DEVELOPER

CADG Celina 156, 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 \$[PAR AMOUNT] aggregate principal amount of Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvement Project) (the “Bonds”), pursuant to the City’s Preliminary Limited Offering Memorandum, dated March 16, 2018, as updated March 19, 2018 and Limited Offering Memorandum dated March 23, 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 March 16, 2018;

(b) that certain Development Agreement, Chalk Hill Public Improvement District No. 2 Agreement and Tax Increment Reinvestment Zone Agreement relating to the District, effective October 13, 2017, executed and delivered by the City and the Developer;

(c) that certain Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding and Acquisition Agreement, effective March 23, 2018, and executed and delivered by the City and the Developer;

(d) that certain Landowner Agreement dated as of March 23, 2018, executed and delivered by the City and the Developer; and

(e) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation with respect to Phases #2-3 of the District executed by the City, the Developer and the Trustee, dated as of March 23, 2018;

(f) that certain Continuing Disclosure Agreement of the Developer, dated as of April 1, 2018 made by and among the Developer and MuniCap, Inc., as dissemination agent and 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 and Plan of Finance," "THE PHASES #2-3 MAJOR IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Phases #2-3 Major Improvements, and the Development), "LEGAL MATTERS — Litigation — The Developer," and "CONTINUING DISCLOSURE — 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 Phases #2-3 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:

CADG Celina 156, 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

APPENDIX F

[LETTERHEAD OF APPRAISER]

April 12, 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 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvement Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, appraiser of (i) the undeveloped property contained in Chalk Hill Public Improvement District No. 2 (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 March 16, 2018, [as updated March 19, 2018](#), and the Limited Offering Memorandum for the Bonds, dated on or about March 23, 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 Phases #2-3 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 PHASES #2-3 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 April 12, 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]

April 12, 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 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvement 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 Chalk Hill Public Improvement District No. 2 (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 March 16, 2018, as updated March 19, 2018 (the “Preliminary Limited Offering Memorandum”), and the final Limited Offering Memorandum, dated on or about March 23, 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 caption “ASSESSMENT PROCEDURES — Assessment Methodology” and “— Assessment Amounts,” (b) under the caption “THE ASSESSMENT CONSULTANT AND ADMINISTRATOR – Assessment Consultant” 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 April 12, 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**

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASES #2-3 MAJOR
IMPROVEMENT PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE DEVELOPER

This Continuing Disclosure Agreement of the Developer dated as of April 1, 2018 (this "Disclosure Agreement") is executed and delivered by and between CADG Celina 156, LLC, a Texas limited liability company (the "Developer"), MuniCap Inc. (in such capacity, the "Administrator") and MuniCap Inc. (in such capacity, the "Dissemination Agent") with respect to the "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvement Project)" (the "Bonds"). The Developer, the Administrator and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of April 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. The Issuer has selected MuniCap Inc. as the initial Administrator.

"Affiliate" shall mean an entity that owns property within Phases #2-3 the District and is controlled by, controls, or is under common control with the Developer or any Subsequent Third Party Owner.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Installment(s)" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee.

"Construction Funding Agreement" has the meaning given to it in the Indenture.

“Developer” shall mean CADG Celina 156, LLC, a Texas limited liability company, including any Affiliate of the Developer, its successors and assigns.

“Development Agreement” has the meaning given to it in the Indenture.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of the Issuer dated as of April 1, 2018 executed and delivered by the Issuer and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as dissemination agent thereunder.

“Dissemination Agent” shall mean MuniCap 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 Chalk Hill Public Improvement District No. 2.

“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.

“Issuer” shall mean the City of Celina, Texas.

“Listed Events” shall mean any of the events listed in Section 4(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.

“Quarterly Improvement Implementation Report” shall mean any Quarterly Improvement Implementation Report prepared by the Administrator pursuant to, and as described in, Section 3 of this Disclosure Agreement.

“Phases #2-3 Major Improvements” shall have the meaning assigned to such term in the Service and Assessment Plan.

“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.

“Subsequent Third Party Owner” shall have the meaning assigned to such term in Section 3(f) of this Disclosure Agreement.

“Trustee” shall mean U.S. Bank National Association, or any successor trustee pursuant to the Indenture.

SECTION 3. Quarterly Improvement Implementation Reports.

(a) The Developer shall provide, or cause to be provided, to the Administrator, at the Developer’s cost and expense, at least five (5) Business Days prior to each March 30, June 30, September 30 and December 30 (beginning June 30, 2018), any information in its knowledge or possession or that will enable the Administrator to complete each Quarterly Improvement Implementation Report containing the information described in this Section 3. The Developer shall provide, or cause to be provided, such information required for the preparation of each Quarterly Improvement Implementation Report during the period from the delivery of the Bonds until such time as the Developer is no longer liable for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installments of Assessments for any year.

(b) The Administrator shall provide to the Issuer and the Dissemination Agent, on or before each March 30, June 30, September 30 and December 30 (beginning June 30, 2018), each Quarterly Improvement Implementation Report containing the information described in this Section 3. The Issuer shall review the information and authorize the Dissemination Agent to provide such information to the MSRB and the Participating Underwriter within fifteen (15) Business Days of the Dissemination Agent’s receipt thereof pursuant to this subsection 3(b).

(c) Such Quarterly Improvement Implementation Report shall include:

(i) Statement from the Developer as to the status of acquisition loans, development loans and any permanent financing with respect to any development undertaken by the Developer in Phases #2-3 of the District not financed with Bond proceeds, including loan balance, existence of deeds of trust or other similar encumbrances against the property within Phases #2-3 of the District, existence of any default and remaining term;

(ii) Statement as to available funds to complete development in Phases #2-3 of the District under construction as contemplated (both Bond financed and non-Bond financed development undertaken by the Developer);

(iii) Status of parcel and/or lot sales from the Developer to any other party by type and average pricing, as well as anticipated future absorption rates;

(iv) A statement as to material changes, if any, in the form, organization or controlling ownership of the Developer;

(v) The status of any governmental approvals (other than customary home building permits required after delivery of a finished lot) required for completion of the Phases #2-3 Major Improvements within Phases #2-3 of the District;

(vi) Any information regarding the Phases #2-3 Major Improvements or other information as may be reasonably requested by the Issuer relating to the ability of the

Developer to fulfill its obligations under the Development Agreement and the Construction Funding Agreement;

(vii) Written notification of any zoning or land use entitlement changes or any other matter that would have a material adverse impact on land values within Phases #2-3 of the District, development potential of lands within Phases #2-3 of the District or the likelihood of the timely payment of the Assessments levied on land or parcels owned by the Developer; and

(viii) Any changes to the land use designation for the property in Phases #2-3 of the District that might negatively impact its development for those purposes identified in the final Service and Assessment Plan, as the same may be amended and supplemented from time to time.

(d) Additionally, the Developer shall provide or cause to be provided the following information to the Administrator for inclusion in each Quarterly Improvement Implementation Report:

(i) The number, dollar amount, and property type (e.g., developed lots, undeveloped pads, parcels, raw land) under contract with wholesale purchasers and the name of each such purchaser;

(ii) A listing of any Subsequent Third Party Owners (defined below) liable for least twenty percent (20%) of the Assessments, the amount of the levy of Assessments against such Subsequent Third Party Owner, and the percentage of such Assessments relative to the entire levy of Assessments; and

(iii) For each residential home builder, on a per quarter and running total basis, (A) the number of residential units for which construction has begun, (B) the number of residential units for which construction has been completed, (C) the number of residential units which have been sold to end users and the average sales price therefor and (D) the estimated date of completion for all residential units expected to be constructed in Phases #2-3 of the District.

(e) With respect to the Phases #2-3 Major Improvements, the Developer will establish an accounting and budgeting system and shall provide or cause to be provided the following information to the Administrator for inclusion in each Quarterly Improvement Implementation Report:

(i) Total expected costs for design and engineering to be completed after delivery of the Bonds;

(ii) Total expected construction budget;

(iii) Construction budget allocated to each progress milestone;

(iv) Forecast construction milestones by date;

(v) Forecast completion date; and

(vi) Forecast Issuer acceptance date.

The Developer shall prepare, within ninety (90) days of the issuance of the Bonds, a schedule reflecting the points listed above for each of the Phases #2-3 Major Improvements within Phases #2-3 of the District to be funded by the Bond proceeds. Quarterly progress reports, reflecting the points listed above, will be summarized by the Developer to reflect the progress and conformance with the overall project budget. These quarterly summaries will be filed with the Administrator for assembly into the Quarterly Improvement Implementation Report and delivered to the Issuer and the Dissemination Agent. Budget overruns in excess of \$250,000 per quarter or delays of greater than sixty (60) days will be highlighted and explained and the Developer shall include a plan to remedy the situation. The Developer's filings under this Section 3(e) will terminate after the Issuer accepts the final segment of the Phases #2-3 Major Improvements and Developer provides a final summary report covering the period from the date of its last preceding quarterly progress report to the date of Issuer acceptance of the final segment of the Phases #2-3 Major Improvements.

(f) If the Developer sells, assigns or otherwise transfers ownership of real property in Phases #2-3 of the District to a third party, which results in such third party, including any Affiliate of such third party, owning property liable for at least twenty percent (20%) of the total Annual Installments of the Assessments first coming due after such transfer of ownership (a "Subsequent Third Party Owner"), the Developer shall require such Subsequent Third Party Owner to comply with the Developer's disclosure obligations hereunder with respect to such acquired real property for so long as such Subsequent Third Party Owner is the owner of property liable for at least twenty percent (20%) of the total of Annual Installments of the Assessments next coming due; provided however, a Subsequent Third Party Owner shall not be required to provide the disclosure information required by Sections 3(c)(i), 3(c)(ii), 3(c)(v), 3(c)(vi), and 3(e) above unless the Subsequent Third Party Owner has assumed the obligation to construct one or more of the Phases #2-3 Improvements, through an assignment of the obligations, requirements or covenants under the Development Agreement or through any contractual arrangement resulting in the same, in which case the Subsequent Third Party Owner shall include the disclosure information required by Sections 3(c)(i), 3(c)(ii), 3(c)(v), 3(c)(vi), and 3(e) above for the Phases #2-3 Improvements it is constructing. The Developer shall deliver to the Dissemination Agent and the Issuer a written acknowledgement from each Subsequent Third Party Owner, acknowledging and assuming its obligations under this Disclosure Agreement. Upon any such transfer to a Subsequent Third Party Owner, and such Subsequent Third Party Owner's assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

SECTION 4. Event Reporting Obligations of Developer.

(a) Pursuant to the provisions of this Section 4, each of the following is a Listed Event with respect to the Bonds:

- (i) Failure to pay any real property taxes or Assessments levied within Phases #2-3 of the District on a parcel owned by the Developer;
- (ii) Material damage to or destruction of any development or improvements, including the Phases #2-3 Major Improvements within Phases #2-3 of the District;

(iii) Material default by the Developer on any loan with respect to the development or permanent financing of the Phases #2-3 Major Improvements or development of Phases #2-3 of the District undertaken by the Developer;

(iv) Material default by the Developer on any loan secured by property within Phases #2-3 of the District owned by the Developer;

(v) The bankruptcy filing of the Developer or any determination that the Developer is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer, 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.

(vii) The filing of any lawsuit with claim for damage, in excess of \$1,000,000 against the Developer which may adversely affect the completion of the development or litigation which would materially adversely affect the financial condition of the Developer; and

(viii) Any change in the legal structure, chief executive officer or controlling ownership of the Developer.

Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall promptly notify the Issuer and the Dissemination Agent in writing and the Developer shall direct the Dissemination Agent, subject to the Issuer's written approval, to immediately file a notice of such occurrence with the MSRB and the Participating Underwriter. 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 paragraph shall be accompanied with the text of the disclosure that the Developer desires to make, the written authorization of the Developer for the Dissemination Agent to disseminate such information as provided herein, and the date the Developer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after Developer becomes aware of the occurrence of the Listed Event).

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Issuer and the Developer of such Listed Event. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Developer 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 Developer 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, the Developer 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 the Dissemination Agent has been instructed by the Developer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within one (1) Business Day of its receipt of such written instructions from the Developer.

SECTION 5. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or a Subsequent Third Party Owner, if any, under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Developer or a Subsequent Third Party Owner, if any, is no longer liable for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installment of Assessments for any year.

(b) At such time that the Developer or a Subsequent Third Party Owner, if any, is no longer liable for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installments of Assessments for any year, the Administrator shall provide written notice to the Developer, any Subsequent Third Party Owner, if applicable, the Issuer and the Dissemination Agent that such party is no longer liable for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installments of Assessments for any year, thereby, terminating such party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to the Developer or a Subsequent Third Party Owner occurs prior to the legal defeasance, prior redemption or payment in full of all of the Bonds, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB and the Participating Underwriter within ten (10) Business Days of its receipt thereof.

(c) The reporting obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Developer and any Subsequent Third Party Owner, if any, are no longer liable for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installment of Assessments for any year and any Termination Notice required by subsection (b) of this Section 5 has been provided to the MSRB and Participating Underwriter.

SECTION 6. 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 THE DEVELOPER'S 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 MUNICAP INC.

SECTION 7. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Developer or Administrator), 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 or 4, 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 the Developer, or the type of business conducted; and

(b) 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. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Improvement Implementation 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 Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 7 to the Issuer and the Participating Underwriter.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer 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 addition to that which is required by this Disclosure Agreement. If the Developer chooses to include any information in any Quarterly Improvement Implementation Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 9. Default. In the event of a failure of the Developer or Administrator 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 Developer and/or Administrator 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 Developer or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Developer shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of the Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by the Developer or Administrator.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only

such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Developer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer 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 financial advisory relationship with the Issuer in connection with the transaction described in the Indenture shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 4 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR OR THE DEVELOPER 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 DEVELOPER, THE DISSEMINATION AGENT OR THE ADMINISTRATOR, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 11. No Personal Liability. No covenant, stipulation, obligation or agreement of the Developer, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Developer, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 12. 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 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Administrator, the Dissemination Agent, the Issuer, 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 14. 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 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 15. ADMINISTRATOR COMPENSATION. THE FEES AND EXPENSES INCURRED BY THE ADMINISTRATOR 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 ADMINISTRATOR HAS ENTERED INTO A SEPARATE AGREEMENT WITH THE ISSUER, WHICH

AGREEMENT GOVERNS THE ADMINISTRATION OF THE DISTRICT, INCLUDING THE PAYMENT OF THE FEES AND EXPENSES OF THE ADMINISTRATOR FOR ITS SERVICES RENDERED IN ACCORDANCE WITH THIS DISCLOSURE AGREEMENT.

SECTION 16. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 17. 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.

MUNICAP, INC.
(as Dissemination Agent)

By: _____
Authorized Officer

DEVELOPER:

CADG Celina 156, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Managing 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

MUNICAP INC.
(as Administrator)

By: _____
Name: _____
Title: _____

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2
PHASES #2-3 MAJOR IMPROVEMENT PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of April 1, 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 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvement Project)” (the “Bonds”). The Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 18. 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 19. DEFINITIONS. IN ADDITION TO THE DEFINITIONS SET FORTH ABOVE AND IN THE INDENTURE OF TRUST DATED AS OF APRIL 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 CADG Celina 156, 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 April 1, 2018 executed and delivered by the Developer, the Administrator and MuniCap, Inc., as 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 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 Chalk Hill Public Improvement District No. 2.

“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.

“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 20. 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 21. 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 under the Indenture securing the Bonds and a description of the related investments.

(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 #2-3 of the District.

(iii) 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.

(iv) 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 in such Fiscal Year.

(v) 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.

(vi) 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.

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 22. 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 23. 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 24. 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 25. 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 26. 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 27. 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 28. 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 PHASES #2-3 OF THE DISTRICT, AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH IT MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF ITS POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISSEMINATION AGENT'S NEGLIGENCE OR WILLFUL MISCONDUCT; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED TO REQUIRE THE ISSUER TO INDEMNIFY THE DISSEMINATION AGENT FOR LOSSES, EXPENSES OR LIABILITIES ARISING FROM INFORMATION PROVIDED TO THE DISSEMINATION AGENT BY THE DEVELOPER OR THE FAILURE OF THE DEVELOPER TO PROVIDE INFORMATION TO THE DISSEMINATION AGENT AS AND WHEN REQUIRED UNDER THE DISCLOSURE AGREEMENT OF DEVELOPER. THE OBLIGATIONS OF THE ISSUER UNDER THIS SECTION SHALL SURVIVE RESIGNATION OR REMOVAL OF THE DISSEMINATION AGENT AND PAYMENT IN FULL OF THE BONDS. NOTHING IN THIS DISCLOSURE AGREEMENT SHALL BE CONSTRUED TO MEAN OR TO IMPLY THAT THE DISSEMINATION AGENT IS AN "OBLIGATED PERSON" UNDER THE RULE. THE DISSEMINATION AGENT IS NOT ACTING IN A FIDUCIARY CAPACITY IN CONNECTION WITH THE PERFORMANCE OF ITS RESPECTIVE OBLIGATIONS HEREUNDER. THE FACT THAT THE DISSEMINATION AGENT MAY HAVE A BANKING OR OTHER BUSINESS RELATIONSHIP WITH THE ISSUER OR ANY PERSON WITH WHOM THE ISSUER CONTRACTS IN CONNECTION WITH THE TRANSACTION DESCRIBED IN THE INDENTURE, APART FROM THE RELATIONSHIP CREATED BY THE INDENTURE OR THIS DISCLOSURE AGREEMENT, SHALL NOT BE CONSTRUED TO MEAN THAT THE DISSEMINATION AGENT HAS ACTUAL KNOWLEDGE OF ANY EVENT DESCRIBED IN SECTION 5 ABOVE, EXCEPT AS MAY BE PROVIDED BY WRITTEN NOTICE TO THE DISSEMINATION AGENT PURSUANT TO THIS DISCLOSURE AGREEMENT.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 29. 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 30. 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 31. 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 32. 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 33. 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 34. 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 PHASES #2-3 OF THE DISTRICT, FOR ITS FEES AND EXPENSES FOR THE DISSEMINATION AGENT'S SERVICES RENDERED IN ACCORDANCE WITH THIS DISCLOSURE AGREEMENT.

SECTION 35. GOVERNING LAW. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS.

SECTION 36. 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.

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CITY OF CELINA, TEXAS

By: _____
Mayor Pro-Tem

HTS CONTINUING DISCLOSURE SERVICES, a
Division of Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

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
 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major
 Improvement 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 April 1, 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
(CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASES #2-3 MAJOR IMPROVEMENT
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

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 collection-foreclosure procedure will

* Illustrates anticipated dates and procedures for pursuing the collection of delinquent Assessments, which dates and procedures are subject to adjustment.

March 1	28/29	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 AGREEMENT****LANDOWNER AGREEMENT**

This **LANDOWNER AGREEMENT** (the "Agreement"), is entered into as of March 23, 2018, between the City of Celina, Texas (the "City"), a home rule municipality of the State of Texas (the "State"), and CADG Celina 156, LLC, a Texas limited liability company (the "Landowner").

RECITALS:

WHEREAS, Landowner owns the Assessed Parcels described by a metes and bounds description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the "Landowner Parcel") which is coterminous with the Chalk Hill Public Improvement District No. 2 (the "District") in the City; and

WHEREAS, the City Council has adopted an assessment ordinance for the Authorized Improvements (including all exhibits and attachments thereto, the "Assessment Ordinance") and the Service and Assessment Plan included as an exhibit to the 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 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 Authorized Improvements that will benefit the Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, the Covenants, Conditions and Restrictions attached to this Agreement as **Exhibit II** and which are incorporated herein for all purposes, include the statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended (the "PID Act"), to the purchaser.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the City and the Landowner hereby contract, covenant and agree as follows:

DEFINITIONS; APPROVAL OF AGREEMENTS

Definitions. Capitalized terms used but not defined herein (including each exhibit hereto) shall have the meanings ascribed to them in the Service and Assessment Plan.

Affirmation of Recitals. The findings set forth in the Recitals of this Agreement are hereby incorporated as the official findings of the City Council.

I. AGREEMENTS OF LANDOWNER

A. Affirmation and Acceptance of Agreements and Findings of Benefit. Landowner hereby ratifies, confirms, accepts, agrees to, and approves:

(i) the creation and boundaries of the District, and the boundaries of the Landowner's Parcel which are coterminous with the District, all as shown on Exhibit I, and the location and development of the Authorized Improvements on the Landowner Parcel and on the property within the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Assessment Ordinance; and

(iii) the 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 the District, as shown on the assessment rolls attached as Appendix D and Appendix E to the Service and Assessment Plan (the "Assessment Rolls");

(ii) the Authorized Improvements specially benefit the District, and the Landowner's Parcel, in an amount in excess of the Assessment levied on the Landowner's Parcel within the District, as such Assessment is shown on the Assessment Rolls;

(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 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 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 a Landowner's 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 Assessment Rolls) 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 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. OWNERSHIP AND CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

A. Ownership and Transfer of Authorized Improvements. Landowner acknowledges that all of the Authorized 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 Authorized 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 Authorized Improvements on the property within the District, to stage on the property within the District construction trailers, building materials and equipment to be used in connection with such construction of the Authorized Improvements and for passage and use over and across parts of the property within the District as shall be reasonably necessary during the construction of the Authorized Improvements. Any subsequent owner of the Landowner's Parcel may require that each contractor constructing the Authorized 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 Authorized 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 Authorized Improvements on those portions of the property within 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 Authorized 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 Authorized 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 Moayedi CADG Celina 156, LLC 1800 Valley View Lane Suite 300 Farmers Branch, Texas 75234
With a copy to:	Attn: J. Prabha Cinclair Miklos Law, 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 Authorized 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: _____
Mayor Pro-Tem

[Signature Page Landowner Agreement]

LANDOWNER

CADG Celina 156, 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 Celina 156, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

[Signature Page Landowner Agreement]

LANDOWNER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDOWNER'S PARCEL

PROPERTY DESCRIPTION:

Being a 94.827 acre tract of land situated in the George W. Eastes Survey, Abstract Number 299, the William W. Shawver Survey, Abstract Number 810, and the William B. Tucker Survey, Abstract Number 912, City of Celina, Collin County, Texas, and being a part of that certain tract of land described by deed to CADG CELINA 156, LLC, recorded under Document Number 20141015001128280, Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2 inch iron rod found for the most northwest corner of a tract of land described to A.P. Sommerhalder, LLC, by deed recorded in document number 20150625000764600, Deed Records, Collin County, Texas, and the southwest corner of that certain tract of land described by deed to Preston 51 CR 102, LP, recorded under Document Number 20071120001569950 of the Official Public Records of Collin County, Texas, and being in the east line of State Highway No. 289, also known as Preston Road, having a variable width right-of-way, and being within County Road 102;

THENCE South 89 degrees 43 minutes 35 seconds East, within said County Road 102 and with the north line of said A. P. Sommerhalder tract and the south line of said Preston 51 CR 102 tract, a distance of 737.08 feet to a point for corner, being the POINT OF BEGINNING;

THENCE South 89 degrees 43 minutes 35 seconds East, continuing within said County Road 102, a distance of 1803.23 feet to a point for the southeast corner of said Preston 51 CR 102, LP tract, same being an inner ell corner of said CADG Celina 156, LLC tract;

THENCE North 00 degrees 26 minutes 05 seconds West, with the east line of said Preston 51 CR 102, LP tract and the northernmost west line of said CADG Celina 156, LLC tract, a distance of 640.81 feet to a 1/2 inch iron rod found for the southwest corner of that same tract of land described to Mohammad Ali Dalaki, by deed recorded in Document Number 20141119001266880, Official Public Records, Collin County, Texas, same being the northernmost northwest corner of said CADG Celina 156, LLC tract;

THENCE North 89 degrees 49 minutes 17 Seconds East, with the south line of said Dalaki tract and the north line of said CADG Celina 156, LLC tract, a distance of 1391.00 feet to a point for the southeast corner of said Dalaki tract and the northeast corner of said CADG Celina 156, LLC tract, said point lying on the west line of that same tract of land described to Nanda Estates, LLC, by deed recorded in Document Number 201407090000706790, Official Public Records, Collin County, Texas;

THENCE South 00 degrees 30 minutes 42 seconds East, with the west line of said Nada Estates, LLC tract and the easternmost line of said CADG Celina 156, LLC tract, a distance of 1391.70 feet to a 5/8 inch iron rod found for the easternmost southeast corner thereof, same being the southwest corner of said Nada Estates, LLC tract, and lying on the north line of that same tract of land described to Four Winds Enterprises, Ltd., by deed recorded in Volume 5476, Page 8080, Official Public Records, Collin County, Texas;

THENCE South 88 degrees 45 minutes 36 seconds West, with the north line of said Four Winds Enterprises, Ltd. tract, and the easternmost south line of said CADG Celina 156, LLC tract, a distance of 551.59 feet to a point for corner;

THENCE South 89 degrees 08 minutes 14 seconds West, continuing with the north line of said Four Winds Enterprises, Ltd. tract, and the easternmost south line of said CADG Celina 156, LLC tract, a distance of 1442.68 feet to a 1/2 inch iron rod found for the northwest corner of said Four Winds Enterprises, Ltd. tract and an inner ell corner of said CADG Celina 156, LLC tract;

THENCE South 00 degrees 08 minutes 33 seconds West, with the west line of said Four Winds Enterprises, Ltd. tract, and the southernmost east line of said CADG Celina 156, LLC tract, a distance of 45.11 feet to point for corner

in the west line of said Four Winds Enterprises, Ltd., and at the beginning of a curve to the left having a radius of 708.00 feet, with a delta angle of 36 degrees 15 minutes 41 seconds, whose chord bears South 72 degrees 00 minutes 02 seconds West, a distance of 440.64 feet;

THENCE, in a southwesterly direction, departing the southernmost east line of said CADG Celina 156 tract, over, across, and upon said CADG Celina 156 tract, and with said curve, an arc length of 448.08 feet to a point for corner;

THENCE South 53 degrees 52 minutes 12 seconds West, continuing within said CADG Celina 156 tract, a distance of 1001.46 feet to a point for corner lying on the west line thereof, same being the east line of that certain tract of land described in deed to Sutton Field Investments, LLC, recorded under Document Number 20150305000240910, Official Public Records of Collin County, Texas;

THENCE North 01 degrees 31 minutes 38 seconds West, with the west line of said CADG Celina 156 tract, the east line of said Sutton Field Investments, LLC, tract, and the east line of that certain tract of land described to Old Celina, LTD., by deed recorded under Document Number 20150305000240780 of the Official Public Records of Collin County, Texas, a distance of 403.65 feet to point for corner;

THENCE North 87 degrees 49 minutes 58 seconds West, with the westernmost south line of said CADG Celina 156 tract, and the north line of said Old Celina, LTD. tract, a distance of 793.07 feet to a 1/2 inch iron rod with a yellow cap stamped "ASC" set for corner in the east line of said Preston Road, lying in a curve to the left having a radius of 11546.01 feet, with a delta angle of 02 degrees 10 minutes 12 seconds, whose chord bears North 05 degrees 22 minutes 06 seconds East, a distance of 437.28 feet;

THENCE continuing with the east line of said Preston Road and with said curve, an arc length of 437.31 feet to a point for the westernmost northwest corner of said CADG Celina 156 tract and the southwest corner of said A.P. Sommerhalder, LLC tract;

THENCE South 85 degrees 39 minutes 30 seconds East, with the westernmost north line of said CADG Celina 156 tract and the south line of said A.P. Sommerhalder, LLC. tract, a distance of 763.62 feet to point for the southeast corner of said A.P. Sommerhalder, LLC. tract and an interior corner of said CADG Celina 156 tract;

THENCE North 01 degrees 37 minutes 07 seconds East, with the northernmost west line of said CADG Celina 156 tract and the east line of said A.P. Sommerhalder, LLC. tract, a distance of 749.79 feet to the POINT OF BEGINNING, and containing 94.827 acres of land, more or less, and being subject to any and all easements that may affect.

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 _____ 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 A (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 Chalk Hill Public Improvement District No. 2 (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 assessment ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the “Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the 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 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 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 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 Assessment Ordinance by the City Council;
- (d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the City's finding of a 'special benefit' pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and
- (e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the City Council's levy of the Assessments.

3. Amendments: This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner's Parcel and

the City. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the real Property Records of 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.

LANDOWNER

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:

LANDOWNER AGREEMENT - EXHIBIT III
HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit III, the recorded Notice of the Authorization and Establishment of the Chalk Hill Public Improvement District No. 2 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 Assessment Rolls for such Assessed Parcel (or if the Assessment Rolls are 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 comply with the requirements of the Homebuyer Disclosure Program established by that certain Agreement of record entered into by and between **CADG Celina 156, LLC**, a Texas limited liability company and the **City of Celina** and shall cooperate with the Administrator in administration thereof.
4. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.
5. 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.
6. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

EXHIBIT E

CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT

CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASES #2-3 MAJOR IMPROVEMENTS**CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT**

THIS CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASES #2-3 MAJOR IMPROVEMENTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this "Agreement"), dated as of March 23, 2018, is by and between the **CITY OF CELINA, TEXAS**, a home-rule municipality of the State of Texas (the "City"), and **CADG CELINA 156, LLC**, a Texas limited liability company (the "Developer").

**ARTICLE I
DEFINITIONS**

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

"Act" means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

"Actual Costs" means the costs of the Phases #2-3 Major Improvement Projects actually paid or incurred for construction and installation of the Phases #2-3 Major Improvement Projects.

"Administrator" means, initially, MuniCap Inc., or any other individual or entity designated by the City to administer the District.

"Annual Service Plan Update" means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan.

"Authorized Improvement(s)" means Phases #2-3 Major Improvements as listed in Section III of the Service and Assessment Plan.

"Bond Ordinance" means the ordinance adopted by the City Council on March 23, 2018 authorizing the issuance of the Bonds pursuant to the Indenture.

"Bonds" means the City's bonds designated "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvement Project)".

"Budgeted Costs" means the anticipated, agreed upon costs of the Authorized Improvements as shown in Section III of the Service and Assessment Plan.

"Certification for Payment" means a certificate, substantially in the form of **Exhibit B** attached hereto or otherwise agreed to by the Developer, the Administrator and City, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative (as defined in the Indenture), provided each month to the City Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment under the Indenture.

“City Representative” means that official or agent of the City authorized by the City Council to undertake the action referenced herein.

“Closing Disbursement Request” means the certificate, substantially in the form of **Exhibit A** hereto or otherwise mutually agreed to by the Developer, Administrator and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative (as defined in the Indenture), specifying the amounts to be disbursed for the costs related to the creation of the District and the costs of issuance of the Bonds.

“Construction Contracts” means the contracts for the construction of the Phases #2-3 Major Improvement Projects. **“Construction Contract”** means any one of the Construction Contracts.

“Cost” means the Budgeted Costs or the cost of a Phases #2-3 Major Improvement Project as reflected in a Construction Contract, if greater than the Budgeted Costs.

“Cost Overrun” means, with respect to each Authorized Improvement, the Actual Cost as appropriate of such Phases #2-3 Major Improvement Project in excess the Budgeted Cost.

“Development Agreement” means that certain Development Agreement, Chalk Hill Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement executed by and between the City and the Developer, effective October 13, 2017 and recorded on January 5, 2018 as document 20180105000023660 in the deed records of Collin County, Texas.

“District” shall mean Chalk Hill Public Improvement District No. 2 created on December 12, 2017.

“Final Completion” means completion of a Phases #2-3 Major Improvement Project in compliance with existing City standards for dedication under the City’s ordinances and the Development Agreement.

“Indenture” means that certain Indenture of Trust between the City and U.S. Bank National Association, as trustee, dated as of April 1, 2018 relating to the Bonds.

“Inspector” means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“Phases #2-3 Major Improvement Projects” mean the pro rata portion of the Major Improvements (as defined in the Service and Assessment Plan) allocable to Phases #2-3 listed in the Service and Assessment Plan to be constructed in compliance with City ordinances. An individual Phases #2-3 Major Improvement Project, including a completed segment or part, shall be referred to as a Phases #2-3 Major Improvement Project.

“Phases #2-3” shall have the meaning set forth in the Service and Assessment Plan.

“Plans” means the plans, specifications, schedules and related construction contracts for the Phases #2-3 Major Improvement Projects, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

“Project Fund” means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

“Service and Assessment Plan” means the Chalk Hill Public Improvement District No. 2 Service and Assessment Plan adopted by Ordinance No. _____ on March 23, 2018 by the City Council, prepared pursuant to the Act.

“Substantial Completion” means the time at which the construction of a Phases #2-3 Major Improvement Project (or specified segment, section or part thereof) has progressed to the point where such Phases #2-3 Major Improvement Project (or a specified segment, section or part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Phases #2-3 Major Improvement Project (or a specified segment, section or part thereof) can be utilized for the purposes for which it is intended.

“Supplement” means a written document agreed upon by the parties to this Agreement amending, supplementing or otherwise modifying this Agreement and any exhibit hereto.

ARTICLE II RECITALS

Section 2.01. The District and the Authorized Improvements.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Phases #2-3 Major Improvement Projects.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance the Phases #2-3 Major Improvement Projects in accordance with the terms and limitations of the Development Agreement and the Service and Assessment Plan.

(c) All Phases #2-3 Major Improvement Projects are eligible to be financed with proceeds of the Bonds and Phased PID Bonds as defined in the Service and Assessment Plan to the extent specified herein.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Phases #2-3 Major Improvement Projects for acquisition and acceptance by the City.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds

(b) The projects to be financed with the Bonds are the Phases #2-3 Major Improvement Projects. The payment of costs from the proceeds of the Bonds for such Phases #2-3 Major Improvements Projects shall be made from the Phases #2-3 Major Improvement Account of the Project Fund established under the Indenture. The costs of all other Phases #2-3 Major Improvement Projects shall be paid first from the Developer Improvement Account of the Project Fund and then from the Phases #2-3 Major Improvement Account of the Project Fund.

(c) The City's obligation with respect to the payment of Phases #2-3 Major Improvement Projects shall be limited to the Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns, as qualified, however, by the distribution of Cost Underrun (as defined in Section 4.04 hereof) monies, as detailed in Sections 4.04.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment. Any such loss may diminish the amounts available in the Project Fund to pay the Costs of the Phases #2-3 Major Improvement Projects in the District, including the Developer to the extent it owns any real property in the District. The Developer, or any other owners of property in the District, to pay Assessments is not in any way dependent on the availability of amounts in the Project Fund to pay for all or any portion of the Costs of the Phases #2-3 Major Improvement Projects.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Phases #2-3 Major Improvement Projects shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Phases #2-3 Major Improvement Projects required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

(f) The Developer acknowledges that as a result of the bonds being issued in two series, some funds may not be immediately available for reimbursement for Actual Costs submitted and approved with an approved Certification for Payment. Both parties acknowledge that these remaining amounts will be disbursed, to the extent of available monies in the Project Fund, as applicable under the terms of the Indenture, as money is deposited into the Project Fund for the payment of such costs. Both Parties acknowledge that the availability of funds in the Project Fund does not relieve the Developer from its responsibility to acquire, construct, or

ensure the construction of the Phases #2-3 Major Improvement Projects in accordance with the Development Agreement, the Service and Assessment Plan and this Agreement.

Section 3.02. Disbursements and Transfers at Bond Closing.

(a) The City and the Developer agree that from the proceeds of the Bonds and upon the presentation of evidence satisfactory to the City, the City will cause the Trustee to pay at closing of the Bonds up to \$_____ to the persons entitled to the payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the District as of the date of delivery of the Bonds, as described in the Service and Assessment Plan.

Section 3.03 Accounts. There shall be three accounts administered by the Trustee, at the direction of the City Representative:

(a) The Phases #2-3 Major Improvement Account of the Project Fund. The proceeds from the issuance and sale of the Bonds shall be deposited into the Phases #2-3 Major Improvement Account of the Project Fund in the amount shown in the Indenture; and

(b) The Developer Improvement Account of the Project Fund. On the Closing Date and pursuant to the terms of the Indenture, the Developer shall make an initial deposit to the Developer Improvement Account of the Project Fund in the amount shown in the Indenture; and

(c) The Phases #2-3 Major Improvements Account of the Tax Increment Fund. This account shall receive the annual tax increment, if collected, generated by properties within Phases #2-3, and the City shall distribute or credit, or shall cause to be distrusted or credited, such amounts in accordance with the Project and Finance Plan for the City of Celina Tax Increment Reinvestment Zone No. Ten.

Section 3.04. Security for Phases #2-3 Major Improvement Projects. Prior to completion and conveyance to the City of a Phases #2-3 Major Improvement Project, the Developer or the Developer's contractor shall provide to the City a maintenance bond in the amount of 100% of each Phases #2-3 Major Improvement Project, which maintenance bond shall be for a term of two years from the date of final acceptance of the Phases #2-3 Major Improvement Project in accordance with City Ordinance and state law. Any surety company through which a bond is written shall be a Texas-domestic surety company duly authorized to do business in the State of Texas, provided that the City, through the City Attorney, shall retain the right to reject any surety company as a surety for any work hereunder regardless of such company's authorization to do business in Texas. The Developer shall construct or cause to be constructed the Phases #2-3 Major Improvement Projects in accordance with the City's established ordinances, policies, procedures, regulations, specifications, and the Development Agreement. Prior to City accepting any Phases #2-3 Major Improvement Project and/or approving a final disbursement for a Phases #2-3 Major Improvement Project, the Developer shall provide an "all bills paid/ no liens" affidavit, in the form, provided by the City, and shall also provide such supporting documentation as required by the City, that affirms that all invoices and bills were paid for the Phases #2-3 Major Improvement Project.

ARTICLE IV

CONSTRUCTION OF PHASES #2-3 MAJOR IMPROVEMENT PROJECTS

Section 4.01. Duty of Developer to Construct.

(a) All Phases #2-3 Major Improvement Projects shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform or cause to be performed, all of its obligations and shall conduct or cause to be conducted all operations with respect to the construction of Phases #2-3 Major Improvement Projects in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of the Phases #2-3 Major Improvement Projects to be acquired and accepted by the City from the Developer as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Phases #2-3 Major Improvement Project and, upon completion, inspection, and acceptance, convey each such Phases #2-3 Major Improvement Project to the City in accordance with the terms hereof, even if there are insufficient funds in the Phases #2-3 Major Improvement Account of the Project Fund to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Phases #2-3 Major Improvement Projects required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. Phases #2-3 Major Improvement Projects shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Phases #2-3 Major Improvement Projects.

Section 4.04. Remaining Funds After Completion of a Phases #2-3 Major Improvement Project. Upon the Final Completion of a Phases #2-3 Major Improvement Project and payment of all outstanding invoices for such Phases #2-3 Major Improvement Project, if the Actual Cost of such Phases #2-3 Major Improvement Project is less than the Budgeted Cost (a "Cost Underrun"), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Phases #2-3 Major Improvement Project. The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Phases #2-3 Major Improvement

Projects. Any Cost Underrun for any Phases #2-3 Major Improvement Project is available to pay Cost Overruns on any other Phases #2-3 Major Improvement Project.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “change orders”) required for the construction of the Phases #2-3 Major Improvement Projects. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of a Phases #2-3 Major Improvement Project, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders except to the extent amounts are available pursuant to Section 4.04. If any change order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City’s engineer prior to execution of the change order.

ARTICLE V ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Closing Disbursement Request. In order to receive the disbursement described in Section 3.02, the Developer shall cause to be delivered to the Trustee a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise agreed to by the City, to be delivered to the City no less than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive the disbursement for a Phases #2-3 Major Improvement Project from the Project Fund, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the City, to be delivered to the City no later than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the City, the City shall submit the Closing Disbursement Request or the Certification for Payment, as applicable, to the Trustee for disbursement to be made from the Cost of Issuance Account of the Project Fund and/or from the Phases #2-3 Major Improvement Account of the Project Fund, as applicable, upon closing of the Bonds.

Section 5.02. Certification for Payment for the Phases #2-3 Major Improvement Projects.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on a Phases #2-3 Major Improvement Project until a monthly Certification for Payment is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation executed by the City) from the Developer, the Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such Phases #2-3 Major Improvement Project identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certification for Payment (collectively, the “Developer Compliance Requirements”). The

Inspector and/or the City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the Inspector and/or City Representative in conducting each such review and to provide the Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the Inspector to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certification for Payment, the Inspector shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the Inspector disapproves the Certification for Payment, give written notification to the Developer of the Inspector's disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the Inspector shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the Administrator for approval in accordance with Section 5.03 hereof and delivery to the Developer in accordance with Section 5.02(c) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial denial.

(c) If the Inspector fails to act with respect to a Certification for Payment within the time period therein provided, the Developer shall submit the Certification for Payment directly to the City Representative for approval. Within five (5) business days of receipt of any Certification for Payment, the City Representative shall approve or deny the Certification for Payment, and provide notice to the Administrator and Developer. Upon approval of a Certification for Payment, the approval shall be forwarded to the Trustee for payment, and delivery to the Developer in accordance with Section 5.03 hereof. The approval of the Certification for Payment by the City Representative shall constitute a representation by the City Representative to the Trustee of the Developer's compliance therein. Pursuant to the terms of Section 5.03 and the Indenture, the Trustee shall make a payment to the Developer, or pursuant to the Developer's directions, of an approved Certification for Payment.

(d) If the City Representative denies the Certification for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(e) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee for payment and the Trustee shall make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for Phases #2-3 Major Improvement Project.

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall make payment from the following funds: (1) first from the Developer Improvement Account of the Project Fund; then (2) second from the Phases #2-3 Major Improvement Account of the Project Fund of such approved Certification for Payment pursuant to the terms of the Certification for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Phases #2-3 Major Improvement Project (or its completed segment), unless a cost overrun amount has been approved for a particular Phases #2-3 Major Improvement Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, the Trustee shall make payment directly to the general contractor or supplier of materials or services or jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment out of available funds in the Project Fund. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Phases #2-3 Major Improvement Project identified in such request for payment being paid, then Trustee shall hold the payment until work with respect to that Phases #2-3 Major Improvement Project has been completed AND accepted by the City. If an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment, the Trustee shall make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials unconditional lien release for a portion of the work covered by a Certification for Payment, the Trustee will make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Phases #2-3 Major Improvement Project to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Authorized Improvements is contested,

the Developer shall post or cause delivery of a surety bond in the amount determined by the City or City may decline to accept the Authorized Improvements until such mechanics or materialman's lien and/or judgment is satisfied.

(e) The terms and conditions to payment set forth in the Development Agreement are incorporated by the parties as if fully set forth herein.

ARTICLE VI OWNERSHIP AND TRANSFER OF PHASES #2-3 MAJOR IMPROVEMENT PROJECT

Section 6.01. Phases #2-3 Major Improvement Project to be Owned by the City– Title Evidence. The Developer shall furnish to the City a preliminary title report for land with respect to Phases #2-3 Major Improvement Projects to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City, for review and approval at least thirty (30) calendar days prior to the transfer of title of a Phases #2-3 Major Improvement Project to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Phases #2-3 Major Improvement Project until the Developer has cured such objections to title to the satisfaction of the City.

Section 6.02. Phases #2-3 Major Improvement Project Constructed on City Land or Developer Land. If the Phases #2-3 Major Improvement Project is on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction and maintenance (pending acquisition and acceptance) of the Phases #2-3 Major Improvement Project. The provisions for inspection and acceptance of such Phases #2-3 Major Improvement Project otherwise provided herein shall apply. If the Phases #2-3 Major Improvement Project is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Phases #2-3 Major Improvement Project. The provisions for inspection and acceptance of such Phases #2-3 Major Improvement Project otherwise provided herein shall apply.

ARTICLE VII REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer consists of one limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations under this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and

delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Phases #2-3 Major Improvement Projects in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Phases #2-3 Major Improvement Projects.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Phases #2-3 Major Improvement Account of the Project Fund for the acquisition, construction or installation of any improvements that are not part of the Phases #2-3 Major Improvements Projects, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Records. For a period of two years after completion of the Phases #2-3 Major Improvements Projects, the Developer covenants to maintain proper books of record and account for the construction of the Phases #2-3 Major Improvement Projects and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Phases #2-3 Major Improvement Projects have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, and the Development Agreement. Developer shall provide as-built plans for all Phases #2-3 Major Improvement Projects to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the Inspector and the City Representative related to the status of construction of Phases #2-3 Major Improvement Projects within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “Tax Certificate”) containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, “Bond Proceeds”).

The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Phases #2-3 Major Improvement Projects) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan, and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE INSPECTOR, THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN “INDEMNIFIED PARTY”), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE PHASES #2-3 MAJOR IMPROVEMENT PROJECTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER’S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND TIS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE PHASES #2-3 MAJOR IMPROVEMENT PROJECTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE PHASES #2-3 MAJOR IMPROVEMENT PROJECTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER’S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES,

REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE PHASES #2-3 MAJOR IMPROVEMENT PROJECTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE PHASES #2-3 MAJOR IMPROVEMENT PROJECTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies

held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Phases #2-3 Major Improvement Projects, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Phases #2-3 Major Improvement Projects is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer is or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Phases #2-3 Major Improvement Projects not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of a Phases #2-3 Major Improvement Project hereunder, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the Inspector and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Phases #2-3 Major Improvements Project. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of 45 days to eliminate or mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to

payment for work accepted by the City related to the Phases #2-3 Major Improvement Project only as provided for in the Indenture and in this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the City to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the Trustee to cease making payments for the Actual Costs of Phases #2-3 Major Improvement Projects, provided that the Developer shall receive payment of the Actual Costs of any Phases #2-3 Major Improvements Project that was accepted by the City at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Phases #2-3 Major Improvement Project not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Phases #2-3 Major Improvement Project hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer. The City shall have no obligation to perform any work related to the Phases #2-3 Major Improvement Projects or to incur any expense or cost in excess of the remaining balance in the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all Outstanding Bonds issued under the Indenture.

Section 8.04. Construction of Phases #2-3 Major Improvement Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Phases #2-3 Major Improvement Projects in accordance with the terms of this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) (“Force Majeure”), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, upon the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required within ten (10) business days of the occurrence of the event of Force Majeure.

ARTICLE IX MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City’s obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the Inspector, the City Representative, nor any other City employee, officer, official or agent shall incur any

liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Phases #2-3 Major Improvement Projects and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: City Manager City of Celina, Texas 142 N. Ohio Celina, Texas 75009
With a copy to:	Attn: Julie Fort Messer, Rockefeller & Fort, PLLC 6371 Preston Road, Suite 200 Frisco, TX 75034
And to:	Attn: Bond Counsel Robert Dransfield Norton Rose Fulbright US LLP 2200 Ross Avenue, Suite 3600 Dallas, Texas 75201
To the Owner:	Attn: Mehrdad Moayedi CADG Celina 156 LLC 1800 Valley View Lane, Suite 300 Farmers Branch, Texas 75234
With a copy to:	Attn: Robert Romo CADG Celina 156, LLC 1800 Valley View Lane, Suite 300 Farmers Branch, Texas 75234
And to:	Attn: J. Prabha Cinclair Miklos Law, PLLC 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234

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

The City shall advise the Developer of the name and address of any Inspector who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Manager, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for the Developer for a Phases #2-3 Major Improvement Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such person elects to complete the Phases #2-3 Major Improvement Project. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee’s express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City’s or the Developer’s rights or duties to perform their respective obligations under other agreements, use regulations, ordinances, or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent of a conflict between this Agreement and the Indenture, the Indenture shall control. To the extent there is a conflict between this Agreement and the Development Agreement, this Agreement shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights

upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance, by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of _____, 2018.

CITY OF CELINA, TEXAS

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

ATTEST:

Name: Vicki Faulkner
Title: City Secretary

(City Seal)

APPROVED AS TO FORM

Name: Julie Fort, Messer, Rockefeller & Fort, PLLC
Title: Attorney for the City

DEVELOPER:

CADG Celina 156, 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

Exhibit A
FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for CADG Celina 156, LLC, (the “Developer”) and requests payment from:

[The Cost of Issuance Account of the Project Fund][The Phases #2-3 Major Improvement Account of the Project Fund] (as defined in the Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding, and Acquisition Agreement) from _____, (the “Trustee”) in the amount of _____ DOLLARS (\$_____) for costs incurred in the establishment, administration, and operation of the Chalk Hill Public Improvement District No. 2 (the “District”), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

In connection to the above referenced payments, 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 above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the 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 Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding, and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture (as defined in the Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding, and Acquisition 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.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.

b. Etc.

I hereby declare that the above representations and warranties are true and correct.

CADG CELINA 156, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. 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 the Cost of Issuance Account of the Project Fund and/or the Phases #2-3 Major Improvement Account of the Project Fund upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding and Acquisition Agreement, the Indenture, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in a Phases #2-3 Major Improvement Project.

CITY OF CELINA, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

Exhibit B
CERTIFICATION FOR PAYMENT FORM – PHASES #2-3 MAJOR IMPROVEMENT PROJECTS

The undersigned is an agent for CADG Celina 156, LLC, (the “Developer”) and requests payment from the Phases #2-3 Major Improvement Account of the Project Fund (as defined in the Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding, and Acquisition Agreement) from the City of Celina, Texas (the “City”) in the amount of \$_____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain public improvements related to the Chalk Hill Public Improvement District No. 2 (the “Phases #2-3 Major Improvement Project”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding, and Acquisition Agreement (the “CFA Agreement”).

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Payment Request Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Phases #2-3 Major Improvement Project has not been the subject of any prior payment request for the same work submitted to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the Phases #2-3 Major Improvement Project below is a true and accurate representation of the costs associated with the creation, acquisition, or construction of said Phases #2-3 Major Improvement Project; and such costs (i) are in compliance with the CFA Agreement; and (ii) are consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the CFA Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.
6. The work with respect to the Phases #2-3 Major Improvement Project referenced below (or its completed segment) has been completed and the City may begin inspection of the Phases #2-3 Major Improvement Project.
7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

As required by Section 6.5(e) of the Indenture, the costs for the Phases #2-3 Major Improvement Project shall be paid as follows:

Description of Phases #2-3 Major Improvement Project:	Total Costs of the Phases #2-3 Major Improvement Project	Budgeted Cost of the Phases #2-3 Major Improvement Project	Amount to be paid from the Project Fund

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the CFA Agreement, after receiving this Payment Request, the City is authorized to inspect the Phases #2-3 Major Improvement Project (or completed segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

CADG CELINA 156, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the City approves the Certification for Payment and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from appropriate Project Fund account. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding, and Acquisition Agreement, the Indenture, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Phases #2-3 Major Improvements Projects.

CITY OF CELINA, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT F

REDEMPTION AGREEMENT

**ARTICLE I AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND
WAIVER OF AGRICULTURAL VALUATION – CHALK HILL PUBLIC IMPROVEMENT
DISTRICT NO. 2**

This AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND WAIVER OF AGRICULTURAL VALUATION – CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 (this “Agreement”), dated March 23, 2018 (the “Effective Date”), by and among CADG Celina 156, LLC, a Texas limited liability company, (the “Developer”), the CITY OF CELINA, TEXAS (the “City”), a municipal corporation, and U.S. BANK, NATIONAL ASSOCIATION (the “Trustee”). The City, the Trustee, and the Developer are sometimes referred to herein individually as a “Party,” and together as the “Parties.”

ARTICLE II RECITALS

A. WHEREAS, the Developer owns a total of approximately 55.961 acres of land located in Collin County, Texas, as described in the attached **Exhibit “A”** (the “Property”), which Property is located within the City’s corporate limits;

B. WHEREAS, the Developer desires to develop the Property as a residential development (the “Project”);

C. WHEREAS, the Developer proposes to construct certain public improvements and transfer those improvements to the City in accordance with the terms and provisions of (i) the Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvements Construction, Funding, and Acquisition Agreement (the “Major Improvements Financing Agreement”), having an effective date of March 23, 2018, between the Developer and the City, and (ii) the Development Agreement, Chalk Hill Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement (the “Development Agreement”), having an effective date of October 13, 2017, and entered into by and between the Developer and the City;

D. WHEREAS, upon the petition of the Developer, on November 14, 2017, the City authorized the formation of the Chalk Hill Public Improvement District No. 2 (the “District”) on the Property in accordance with Chapter 372, Texas Local Government Code, as amended;

E. WHEREAS, the Property constitutes a portion of the land within the District;

F. WHEREAS, the City at the request, and with the consent, approval and agreement of the Developer, adopted Ordinance No. _____ on March 23, 2018, in accordance with Chapter 372 of the Texas Local Government Code, levying special assessments on the Property (the “Assessment Ordinance”) and adopting the Service and Assessment Plan (as defined in the Major Improvements Financing Agreement) that provides for the construction and financing of Authorized Improvements (as defined in the Service and Assessment Plan) for the benefit of Assessed Property (as herein defined) within the District pursuant to the Service and Assessment Plan, payable in whole or in part by and from the Assessments (as defined in the Service and Assessment Plan) levied against Assessed Property, as more specifically provided for in the Service and Assessment Plan;

G. WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in the Major Improvements Financing Agreement) issue, in multiple series, bonds for payment of costs associated with construction and/or acquisition of the Authorized Improvements included in the Service and Assessment Plan, as such plan may be amended from time to time;

H. WHEREAS, pursuant to the Service and Assessment Plan, the City will maintain the Phases #2-3 Major Improvement Assessment Roll (as defined in the Service and Assessment Plan) that identify all parcels of the District that are Assessed Property and all parcels that are not subject to an assessment (the "Non-Benefitted Property");

I. WHEREAS, as the Property is developed, portions of the Assessed Property may be converted into Non-Benefitted Property and the City will update the Phases #2-3 Major Improvement Assessment Roll from time to time to identify Assessed Property and Non-Benefitted Property within the District;

J. WHEREAS, upon satisfaction of the conditions and in accordance with the terms set forth in the Major Improvements Financing Agreement and the Development Agreement, from the proceeds of the bonds the City issues in connection with the Authorized Improvements, the City will acquire and accept those certain Authorized Improvements provided for in the Major Improvements Financing Agreement and the Developer will be paid or reimbursed for all or a portion of the costs of acquisition, construction, and improvement of the Authorized Improvements; and

K. WHEREAS, as a condition precedent to the City's performance of its obligations under the Major Improvements Financing Agreement, the Developer has agreed to execute this Agreement conveying all rights to redeem any portion of the Property that is subject to an Assessment and has an agricultural use valuation following a tax sale, and to execute and deliver into escrow with the Trustee multiple originals of waivers of agricultural use valuation in the form attached as **Exhibit "B"** hereto; and

L. WHEREAS, U.S. Bank, National Association is the trustee under the Indenture (as defined in the Major Improvements Financing Agreement).

NOW, THEREFORE, in consideration of the premises set forth above, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

(a) "Exempt Property" shall include any portion of the Property that is designated for agricultural use (which shall include, but not be limited to, any of the uses described in Section 23.51 of the Texas Tax Code, as amended) or is otherwise claimed for agricultural use by the owner thereof for ad valorem tax purposes pursuant to Section 23.41 of the Texas Tax Code or any other applicable statute, law or right.

(b) "Assessed Property" shall include any portion of the Property that is subject to an Assessment levied pursuant to the Assessment Ordinance and identified on the Phases #2-3 Major Improvement Assessment Roll maintained by the City.

(c) “Lender” shall mean Chambers Bank.

(d) “Non-Redeemable Property” shall be those portions of the Property that are Assessed Property and have an Exempt Property status at the time either the applicable ad valorem taxes become past due or at the time that the annual installment of the Assessment levied against such property becomes past due.

(e) “Trustee” means U.S. Bank, National Association, and any successor thereto permitted under the Indenture (as defined in the Major Improvements Financing Agreement).

SECTION 2. CONVEYANCE OF RIGHT OF REDEMPTION.

The Developer has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto the Trustee all rights that the Developer and its successors and assigns now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire Non-Redeemable Property following a foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended (“Tax Redemption Rights”).

TO HAVE AND TO HOLD the Tax Redemption Rights in the Non-Redeemable Property belonging in any way to the Developer, unto the Trustee, its successors and assigns, forever, subject to the Restrictions and Reservations set forth herein; and the Developer does hereby bind itself and its successors, assigns, and any person claiming by through or under the Developer to WARRANT AND FOREVER DEFEND all and singular, the Tax Redemption Rights in the Non-Redeemable Property unto the Trustee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof by, through, or under the Developer, but not otherwise, subject to the Restrictions and Reservations set forth in this Agreement.

Restrictions and Reservations

IT IS EXPRESSLY UNDERSTOOD AND AGREED that if all or a portion of the Non-Redeemable Property ceases to be Assessed Property, as shown on the Phases #2-3 Major Improvement Assessment Roll maintained by the City, then the owner of such land shall have the right to assume ownership of the Tax Redemption Rights for said portion of the Non-Redeemable Property. Upon request by an owner of land that is Non-Redeemable Property that has ceased to be Assessed Property, the City and the Trustee shall execute a Release from this Agreement in the form attached hereto as **Exhibit “C.”**

SECTION 3. RESTRICTION AGAINST REDEMPTION OF NON-REDEEMABLE PROPERTY

In the event that a court of competent jurisdiction enters a final judgment that the foregoing conveyance of Tax Redemption Rights is not effective, the Developer hereby absolutely, unconditionally and irrevocably waives, releases, relinquishes and surrenders forever, on behalf of itself and its successors and assigns, and agrees not to assert or exercise any and all Tax Redemption Rights it now has or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire any portion of the Property that is Non-Redeemable Property following a sale for failing to pay assessments under the Assessment Ordinance, a foreclosure of a tax lien or sale, or a transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended.

SECTION 4. WAIVER OF AGRICULTURAL USE VALUATION.

(a) Delivery of Agricultural Use Waiver Into Escrow. Concurrently with the execution and delivery of this Agreement, the Developer has executed and has delivered or will promptly deliver to the Trustee to be held in escrow six (6) originals of the form attached hereto as **Exhibit "B"** (the "Agricultural Use Waiver") waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to Non-Redeemable Property. The Agricultural Use Waiver shall be held in escrow, and shall only be released from escrow in accordance with the provisions of this Section 4.

(b) Authorization to File Agricultural Use Waiver.

(i) Prior to the Trustee taking any action described in subsection 4(b)(ii) below, the Trustee shall pay past due or delinquent taxes using funds in the Developer Property Tax Account of the Administrative Fund held under the Indenture. If the funds in the applicable Developer Property Tax Account of the Administrative Fund are not sufficient to pay all past due ad valorem taxes, including any accrued interest and penalties, then the Trustee shall notify the Developer and the Lender of such deficiency and provide the Developer and the Lender thirty (30) days to deliver to the Trustee the requisite amount of funds to pay all past due taxes and restore the applicable Developer Property Tax Account of the Administrative Fund.

(ii) In the event that any taxes secured by a lien against any portion of the Non-Redeemable Property have not been paid by March 1st following the year for which such taxes are levied, the Trustee shall provide the Lender notice of the deficiency and provide the Lender ten (10) days to cure said deficiency. If the Lender fails to cure the deficiency, Trustee shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds, as defined in the Major Improvements Financing Agreement, secured by the Indenture then outstanding) and the Developer hereby irrevocably authorizes the Trustee to, release the Agricultural Use Waiver from escrow and deliver same to the Collin County Tax Assessor/Collector or its successor. The Trustee shall, and the Developer further authorizes the Trustee to, attach to the Agricultural Use Waiver a description of that portion of the Non-Redeemable Property for which taxes are delinquent; provided, the Trustee shall verify with the City the descriptions of the Non- Redeemable Property to be attached to such waiver. In the event that the Trustee receives notice that delinquent taxes and all penalties and interest have been paid prior to Trustee's transmittal of the Agricultural Use Waiver to the Collin County Tax Assessor/Collector or its successor, then Trustee shall not transmit the Waiver of Agricultural Use to the Collin County Tax Assessor/Collector and such waiver shall be returned to escrow. In the event that the number of Agricultural Use Waivers held by Trustee is less than three (3) and some portion of the Property is Non-Redeemable Property, the Developer agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by the Developer; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by the Developer, if the Developer does not

execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee. Notwithstanding anything to the contrary contained herein, the Lender is under no obligation to cure any deficiency.

(iii) Except as provided in Section 4(b)(iv), in the event that any Assessments levied by the City pursuant to the Assessment Ordinance that are secured by a lien against any portion of the Non-Redeemable Property have not been paid by March 1st following the year for which such Assessments are levied (or ten (10) days before such Assessments become delinquent, if earlier), the Trustee shall provide the Lender notice of the failure to pay Assessments and provide the Lender ten (10) days to cure such failure. If the Lender fails to cure, the Trustee shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds secured by the Indenture then outstanding) and the Developer hereby irrevocably authorizes the Trustee to, release the Agricultural Use Waiver from escrow and deliver same to the Collin County Tax Assessor/Collector or its successor. The Trustee shall, and the Developer further authorizes the Trustee to, attach to the Agricultural Use Waiver a description of that portion of the Non-Redeemable Property for which Assessments are delinquent. In the event that the number of Agricultural Use Waivers held by Trustee is less than three (3) and some portion of the Property is Non- Redeemable, the Developer agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by the Developer; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by the Developer, if the Developer does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee. Notwithstanding anything to the contrary contained herein, the Lender is under no obligation to cure the failure to pay.

(iv) If, by case law, statute or an opinion of the Attorney General of the State of Texas it is determined that Tax Redemption Rights do not apply to the Assessments levied on behalf of the District, then Section 4(b)(iii) shall immediately become non-operative and non-effective upon Trustee's receipt of written notice of such decision, statute or opinion.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

The Developer each hereby represents and warrants to the City as follows:

(a) The Developer represents and warrants that it is a limited liability company duly organized and validly existing under the laws of the State of Texas, is qualified to do business in and is in good standing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Developer represents and warrants that it has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be

executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Developer.

(c) The Developer represents and warrants that this Agreement is a valid and enforceable obligation of the Developer and is enforceable against the Developer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

SECTION 6. DEFAULT AND REMEDIES.

In the event that the Developer shall violate, or indicate that the Developer intends to violate, any of the terms and provisions set forth in this Agreement, in addition to any other remedies available at law or in equity, the Trustee shall have the right to sue for and obtain a prohibitive or mandatory injunction or any other equitable remedy to prevent the breach of, or to enforce the observance of, the terms of this Agreement. The foregoing remedies shall be cumulative with, in addition to, and non-exclusive of one another, and the exercise of any one remedy shall not bar the exercise of any other remedy. In the event of any legal action commenced by the Trustee to enforce the obligations of the Developer hereunder, the Trustee shall be entitled to recover its reasonable attorney's fees and costs. The Trustee shall provide ten (10) days' notice to the Lender prior to taking any enforcement action.

SECTION 7. MISCELLANEOUS.

(a) Term of Agreement. This Agreement shall continue in full force and effect so long as any obligations remain outstanding under the Indenture.

(b) Headings Descriptive. The headings of the several Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

(c) Interpretation. The singular number includes the plural and the masculine gender includes the feminine and neuter.

(d) Covenants Run with the Land; Transfers of the Property. This Agreement shall be recorded in the deed records of Collin County and shall run with the land and the ownership of any Non-Redeemable Property and will act as an appurtenant burden on the Non-Redeemable Property and shall be binding upon the Non-Redeemable Property and all owners, tenants, subtenants, licensees, assignees and occupants thereof and any other party having any interest therein. Upon the acquisition by any party of any interest in the Non-Redeemable Property, such party shall automatically and without further action by such party or any other party be deemed to have assumed and agreed to be bound by this Agreement. Without limiting the foregoing, any person who acquires a fee interest in any portion of the Non-Redeemable Property ("Subsequent Owner") shall, and hereby shall be deemed to have agreed to, (i) execute and record in the Real Property Records of Collin County, Texas, promptly following the recording of the conveyance instrument, an agreement in the form attached hereto as **Exhibit "D"** (the "Acknowledgment and Agreement") to acknowledge that such person is subject to the terms of this Agreement, expressly agreeing to comply with the terms and provisions of this Agreement applicable to the portion of the Non-Redeemable Property acquired by such person, and waiving such person's right to redeem such portion of the Non-Redeemable Property, and (ii) execute and deliver to the Trustee, concurrently with the recording of the Acknowledgment

and Agreement, six (6) Waiver of Special Appraisal Agricultural Use Waivers in the form attached hereto as **Exhibit "B"** for that portion of the Non- Redeemable Property acquired by such person. In the event that the number of Agricultural Use Waivers signed by a Subsequent Owner that are held by Trustee is less than three (3) and some portion of the Property owned by the Subsequent Owner is Non-Redeemable Property, such Subsequent Owner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by such Subsequent Owner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by a Subsequent Owner that has not paid taxes or Assessments as required by this Agreement, if said Subsequent Owner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee.

(e) Material Agreement. The Developer acknowledges that the agreements and obligations of the Parties set forth herein are a material inducement to the City's entering into the Major Improvements Financing Agreement, that the Developer is represented by counsel of its own choice with respect to this Agreement, and that the Developer is entering into this Agreement freely and voluntarily and not acting under coercion or duress.

(f) Binding Effect. This Agreement shall be binding upon the Developer and the successors, receivers, trustees and assigns of the Developer, including all successors in interest of the Developer in and to all or any part of the Property, and shall inure to the benefit of the City, the Trustee and the successors and assigns of the Trustee.

(g) Amendments. This Agreement may be modified or amended only by a written agreement executed by the Trustee, the City, and each owner of that portion of the Property to be affected by such amendment and recorded in the Real Property Records of Collin County, Texas.

(h) Severability; No Waiver. If any provision of this Agreement is held invalid or unenforceable, no other provision of this Agreement will be affected by such holding and all other provisions of this Agreement will continue in full force and effect. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement will not be deemed a waiver of such requirement or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

(i) Notices. Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to the City: City of Celina

Attn: City Manager
107 S. Main Street
Celina, Texas 76227

With a copy to: Messer, Rockefeller a& Fort, PLLC
Attn: Julie Fort
6371 Preston Road, Suite 200
Frisco, Texas 75034

If to the Developer: CADG Celina 156, LLC.
c/o Centurion American
Attention: Mehrdad Moayed
1800 Valley View Lane, Suite 000
Farmers Branch, Texas 75234

With a copy to: Miklos Law, PLLC
Attn: J. Prabha Cinclair
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234

If to the Trustee: U.S. Bank, National Association
Attn: Corporate Trust Services
13737 Noel Road, Suite 800
Dallas, Texas 75006

If to the Lender: Chambers Bank
Attn: Chad Stanley
901 Main Street
Danville, Arkansas 72833

(j) Third Party Beneficiaries. The provisions of this Agreement are and will be for the benefit of the Parties, the Trustee and the holders of the Bonds only and are not for the benefit of any other third party and, accordingly, no other third party shall have the right to enforce the provisions of this Agreement.

(k) Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

(l) Further Assurances. The Parties agree to take all further action and execute and deliver to the City such additional documents as may be necessary or as the City may reasonably request to carry out the purposes of this Agreement.

(m) Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed in accordance with the laws of the State of Texas (without giving effect to the principles thereof relating to conflicts of law).

(n) Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit “A” – Description of the Property

Exhibit “B” – Form of Agricultural Use Waiver

Exhibit “C” – Form of Release From Agreement

Exhibit “D” – Acknowledgment of Assumption of Waiver of Right of Redemption

[Signature pages follow]

IN WITNESS WHEREOF, the Parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives on the dates set forth in the acknowledgements below, to be effective as of the day and year first above written.

CITY OF CELINA, TEXAS,
a home rule city and Texas municipal corporation

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

ATTEST:

Vicki Faulkner, City Secretary

THE STATE OF TEXAS §

COUNTY OF COLLIN §

This instrument was acknowledged before me on _____, 2018, by Chad Anderson, the Mayor Pro Tem, and Vicki Faulkner, the City Secretary, of the City of Celina, Texas, a home rule city and Texas municipal corporation, on behalf of said city and municipal corporation.

Notary Public, State of Texas

**CADG Celina 156, 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 Celina 156, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

THE STATE OF TEXAS §

§

COUNTY OF DALLAS §

This instrument was acknowledged before me on this day of _____, 2018, by
_____, an authorized officer of U.S. Bank National Association, as
Trustee, on behalf of said entity.

Notary Public, State of Texas

ARTICLE III EXHIBIT "A"

PROPERTY DESCRIPTION (PHASE #2):

Being a 29.102 acre tract of land situated in the George W. Eastes Survey, Abstract No. 299, in the William B. Tucker Survey, Abstract No. 912, and in the William W. Shawver Survey, Abstract No. 810, in the City of Celina, Collin County, Texas, being a portion of that same tract of land described to CADG Celina 156, LLC by deed recorded in Document No. 20141015001128280 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.), and being more particularly described by metes and bounds as follows (Bearings and distances are based on the State Plane Coordinate System, Texas North Central Zone (4202) North American Datum of 1983 (NAD 83)(US Foot) with a combined scale factor of 1.000152710):

COMMENCING at a 1/2 inch rebar found for the southernmost Southwest corner of a tract of land described to Preston 51 CR 102, LP by deed recorded in Document No. 20071120001569950, O.P.R.C.C.T., same being the northernmost Northwest corner of a tract of land described Document No. 20150625000764600, O.P.R.C.C.T., and lying on the East right-of-way line of State Highway No. 289 (Preston Road) (variable width right-of-way) and on the approximate centerline of County Road 102;

THENCE South 89 Degrees 43 Minutes 35 Seconds East, departing the East right-of-way line of said State Highway No. 289, with the South line of said Preston 51 CR 102, LP tract, a distance of 1872.51 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for the POINT OF BEGINNING;

THENCE South 89 Degrees 43 Minutes 35 Seconds East, continuing with the South line of said Preston 51 CR 102, LP tract, a distance of 667.80 feet to a 1/2 inch rebar found for the Southeast corner of said Preston 51 CR 102, LP tract, same being an interior "ell" corner of the herein described tract;

THENCE North 00 Degrees 26 Minutes 05 Seconds West, with the East line of said Preston 51 CR 102, LP tract, a distance of 640.81 feet to a 1/2 inch rebar found for the Southwest corner of a tract of land described to Mohammad Ali Dalaki by deed recorded in Document No. 20141119001266880, O.P.R.C.C.T., same being the northernmost Northwest corner of the herein described tract;

THENCE North 89 Degrees 49 Minutes 17 Seconds East, departing the East line of said Preston 51 CR 102, LP tract, with the South line of said Dalaki tract, a distance of 443.30 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for the Northeast corner of the herein described tract;

THENCE in a southerly direction, departing the South line of said Dalaki tract, over, across and through said CADG Celina 156, LLC tract, the following courses and distances:

1. South 00 Degrees 10 Minutes 42 Seconds East, a distance of 125.02 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;
2. North 89 Degrees 49 Minutes 18 Seconds East, a distance of 109.03 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;
3. South 00 Degrees 10 Minutes 42 Seconds East, a distance of 1055.35 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

4. North 89 Degrees 08 Minutes 15 Seconds East, a distance of 93.74 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

5. South 00 Degrees 51 Minutes 45 Seconds East, a distance of 225.03 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for the Southeast corner of the herein described tract, said point lying on the South line of said CADG Celina 156, LLC tract, and the North line of a tract of land described to Four Winds Enterprises, Ltd. by deed recorded in Volume 5476, Page 8080, O.P.R.C.C.T., and lying on the approximate centerline of said County Road 102;

THENCE South 89 Degrees 08 Minutes 14 Seconds West, with the North line of said Four Winds Enterprises, Ltd., a distance of 1187.13 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner, from which a 1/2 inch rebar found for the Northwest corner of said Four Winds Enterprises, Ltd. tract bears South 89 Degrees 08 Minutes 14 Seconds West, a distance of 56.68 feet;

THENCE, in a northerly direction, departing the North line of said Four Winds Enterprises, Ltd. tract, over, across and through said CADG Celina 156, LLC tract, the following courses and distances:

1. North 00 Degrees 57 Minutes 44 Seconds West, a distance of 50.06 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

2. South 89 Degrees 08 Minutes 14 Seconds West, a distance of 56.24 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner at the beginning of a tangent curve to the left, having a central angle of 15 Degrees 42 Minutes 41 Seconds, a radius of 805.67 feet and a chord bearing and distance of South 82 Degrees 11 Minutes 00 Seconds West, 220.24 feet;

3. Along said tangent curve to the length, an arc length of 220.93 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

4. North 15 Degrees 27 Minutes 01 Seconds West, a distance of 13.81 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

5. North 39 Degrees 39 Minutes 41 Seconds East, a distance of 187.97 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner at the beginning of a non-tangent curve to the left, having a central angle of 53 Degrees 12 Minutes 41 Seconds, a radius of 50.00 feet and a chord bearing and distance of North 87 Degrees 27 Minutes 14 Seconds East, 44.782 feet;

6. With said non-tangent curve to the left, an arc length of 46.44 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner at the beginning of a reverse curve to the right, having a central angle of 29 Degrees 09 Minutes 06 Seconds, a radius of 25.00 feet, and a chord bearing and distance of North 75 Degrees 25 Minutes 27 Seconds East, 12.58 feet;

7. With said reverse curve to the right, an arc length of 12.72 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

8. North 00 Degrees 00 Minutes 00 Seconds East, a distance of 63.85 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

9. North 11 Degrees 19 Minutes 03 Seconds East, a distance of 46.47 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

10. North 00 Degrees 00 Minutes 00 Seconds East, a distance of 385.27 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

11. North 90 Degrees 00 Minutes 00 Seconds West, a distance of 100.00 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

12. North 00 Degrees 00 Minutes 00 Seconds East, a distance of 169.25 feet to the POINT OF BEGINNING and containing 1,266,286 square feet or 29.070 acres of land, more or less.

PROPERTY DESCRIPTION (PHASE #3):

Being a 26.891 acre tract of land situated in the William B. Tucker Survey, Abstract No. 912, and in the William W. Shawver Survey, Abstract No. 810, in the City of Celina, Collin County, Texas, being a portion of that same tract of land described to CADG Celina 156, LLC by deed recorded in Document No. 20141015001128280 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.), and being more particularly described by metes and bounds as follows (Bearings and distances are based on the State Plane Coordinate System, Texas North Central Zone (4202) North American Datum of 1983 (NAD 83)(US Foot) with a combined scale factor of 1.000152710):

COMMENCING at a 1/2 inch rebar found for the southernmost Southwest corner of a tract of land described to Preston 51 CR 102, LP by deed recorded in Document No. 20071120001569950, O.P.R.C.C.T., same being the northernmost Northwest corner of a tract of land described Document No. 20150625000764600, O.P.R.C.C.T., and lying on the East right-of-way line of State Highway No. 289 (Preston Road) (variable width right-of-way) and on the approximate centerline of County Road 102;

THENCE South 89 Degrees 43 Minutes 35 Seconds East, departing the East right-of-way line of said State Highway No. 289, with the South line of said Preston 51 CR 102, LP tract, a distance of 2540.31 to a 1/2 inch rebar found for the Southeast corner of said Preston 51 CR 102, LP tract, same being an interior "ell" corner of said CADG Celina 156, LLC tract;

THENCE North 00 Degrees 26 Minutes 05 Seconds West, with the East line of said Preston 51 CR 102, LP tract, a distance of 640.81 feet to a 1/2 inch rebar found for the Southwest corner of a tract of land described to Mohammad Ali Dalaki by deed recorded in Document No. 20141119001266880, O.P.R.C.C.T., same being the northernmost Northwest corner of said CADG Celina 156, LLC tract;

THENCE North 89 Degrees 49 Minutes 17 Seconds East, departing the East line of said Preston 51 CR 102, LP tract, with the South line of said Dalaki tract, a distance of 443.30 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for the Northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE North 89 Degrees 49 Minutes 17 Seconds East, continuing with the South line of said Dalaki tract, a distance of 947.70 feet to a point for the Southeast corner of said Dalaki tract, same being the Northeast corner of said CADG Celina 156, LLC tract, and lying on the West line of a tract of land described to Nanda Estates, LLC by deed recorded in Document No. 20140709000706790, O.P.R.C.C.T., from which a 1/2 inch rebar found for referenced bears South 74 Degrees 10 Minutes 03 Seconds West, a distance of 1.21 feet;

THENCE South 00 Degrees 30 Minutes 42 Seconds East, with the West line of said Nanda Estates, LLC tract, a distance of 1391.70 feet to a 5/8 inch rebar found for the Southwest corner of said Nanda Estates, LLC tract, same being the easternmost Southeast corner of said CADG

Celina 156, LLC tract, and lying on the North line of a tract of land described to Four Winds Enterprises, Ltd. by deed recorded in Volume 5476, Page 8080, O.P.R.C.C.T.;

THENCE South 88 Degrees 45 Minutes 36 Seconds West, with the North line of said Four Winds Enterprises, Ltd. tract, a distance of 551.59 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

THENCE South 89 Degrees 08 Minutes 14 Seconds West, continuing with the North line of said Four Winds Enterprises, Ltd. tract, a distance of 198.87 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for the Southwest corner of the herein described tract;

THENCE, in a northerly direction, departing the North line of said Four Winds Enterprises, Ltd. tract, over, across and through said CADG Celina 156, LLC tract, the following courses and distances:

1. North 00 Degrees 51 Minutes 45 Seconds West, a distance of 225.03 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;
2. South 89 Degrees 08 Minutes 15 Seconds West, a distance of 93.74 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;
3. North 00 Degrees 10 Minutes 42 Seconds West, a distance of 1055.35 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;
4. South 89 Degrees 49 Minutes 18 Seconds West, a distance of 109.03 feet to a 1/2 inch rebar with a cap stamped "A.S.C." set for corner;

THENCE North 00 Degrees 10 Minutes 42 Seconds West, continuing through said CADG Celina 156, LLC tract, a distance of 125.02 feet to the POINT OF BEGINNING and containing 1,171,386 square feet or 26.891 acres of land, more or less.

Exhibit "B"**ARTICLE IV WAIVER OF SPECIAL APPRAISAL**

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
 COUNTY OF _____ §

THAT this Waiver of Special Appraisal (this "Waiver") is made and entered into as of the _____ day of _____, 20____, for the benefit of the City of Celina, Texas (the "City") and the Trustee (as defined below), by ("Landowner," whether one or more), owner of the property described on Schedule 1 hereto (the "Property"), which Property is located within the Chalk Hill Public Improvement District No. 2 (the "District"), a public improvement district of the City, pursuant to Texas Tax Code Ann. §23.20.

RECITALS

A. The City has the right to levy special assessments on land located within the District pursuant to a separate ordinance enacted by the City Council of the City, which assessments are intended to provide for the financing of certain improvements for the benefit of the District.

B. The purpose of the City in selling its special assessments revenue bonds is to provide, among other things, financing for certain improvements to serve the District (the "Facilities").

C. In furtherance of this purpose, the City has agreed to reimburse Landowner (or has reimbursed Landowner's predecessor in interest) for payments made for certain Authorized Improvements, subject to the execution and delivery by Landowner of this Waiver.

D. Landowner acknowledges that the election by Landowner to claim agricultural use exemptions or valuations arising under Section 34.21 of the Texas Tax Code, as amended (collectively, the "Exemptions"), but not including any residential homestead exemption, for the Property would be detrimental to the property valuation base and may significantly impair the ability of the City to meet its debt obligations for its special assessments revenue bonds.

WAIVER

Section 1. Waiver of Exemptions. Landowner, on behalf of itself, its successors and assigns, (i) irrevocably waives its right to claim any of the Exemptions with respect to the Property for a period of thirty (30) years beginning on the date this Waiver is received by the Collin County Tax Assessor/Collector; (ii) authorizes the City and/or U.S. Bank National Association (the "Trustee") to file this Waiver with the Chief Appraiser of the Collin County Appraisal District, or its successor, in accordance with the terms of the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Chalk Hill Public Improvement District No. 2 having an effective date of March 23, 2018; and (iii) covenants that it will not make any claim for a special appraisal except on written authorization of the Trustee. Landowner acknowledges that it may have the right under Article 8 of the Texas Constitution to assert some or all of the Exemptions which it is waiving herein, and agrees that it shall be estopped from claiming such Exemptions for so long as this Waiver shall remain in effect; provided, however, it is expressly acknowledged and agreed by Landowner that mechanisms for single family residences now available or to be made available by any change in Texas laws for the reduction of ad valorem

tax liability or of valuation for the purposes of ad valorem taxes or other assessments with respect to real property, such as exemptions for homesteads, disabled veterans, and elderly homesteads, are not included in the definition of Exemptions and are expressly allowed, to the extent such exemptions would be otherwise available, with respect to the Property.

Section 2. Disclosures of Lienholder. Landowner represents and warrants that the lienholder executing the consent hereto, is the only lienholder on the Property.

Section 3. Reliance on Waiver. Landowner or its predecessor in interest has induced the City into issuing bonds based, in significant part, on the covenants hereunder and the City has agreed to issue such bonds in reliance upon such covenants.

Section 4. Covenants to Run with Land. The terms and provisions hereof shall be deemed to be restrictive covenants encumbering and running with the Property and shall be binding upon the Landowner and its successors and assigns. In particular, each successive purchaser of the Property shall, upon purchase thereof (or any portion thereof), waive its right to claim any of the Exemptions with respect to the Property (or such portion thereof) for so long as this Waiver shall remain in effect.

Section 5. Enforceability. The covenants and restrictions binding the Property hereunder shall be enforceable only by the City, the Trustee and their respective successors and assigns. This Waiver is for the sole benefit of the parties hereto, and of the Trustee, and no other third party is intended to be a beneficiary of this Waiver.

Section 6. Termination. This Waiver shall continue in full force and effect until the earlier to occur of the following: (i) thirty (30) years; or (ii) such time as the Trustee approves a revocation in writing.

Section 7. Severability. Every provision of this Waiver is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable to the maximum extent permitted by law, it being the intent of the parties hereto to give full force and effect to the agreements made hereunder to the maximum extent permitted by law.

Section 8. Headings. The Section headings are included in this Waiver for convenience and reference only, and shall not be deemed to affect the substantive provisions of this Waiver.

Section 9. Remedies. If Landowner breaches its obligations hereunder, the Trustee or the City (on behalf of the Trustee), in addition to all other remedies set forth herein or otherwise available at law or in equity, shall be entitled to recover from Landowner the amount of assessments that would have been due to the City had Landowner complied with this Waiver. Such payment will be due and payable, and will incur penalties and charges under the same terms as if the payment had been an assessment obligation of Landowner to City.

IN WITNESS WHEREOF, the parties hereto have executed this Waiver in one or more counterparts, each of which shall be of equal dignity, as of the date and year set forth in the acknowledgements below, to be effective for all purposes as of the date first set forth above.

LANDOWNER:

THE STATE OF _____ §
 COUNTY OF _____ §

This instrument was acknowledged before me on this day of _____. 20____, by
 _____, the _____ of _____, on
 behalf of said entity.

 Notary Public, State of _____

CONSENT OF LIENHOLDER

_____ (“Lienholder”), being a lienholder on the Property, hereby consents to this Waiver of Special Appraisal (the “Waiver”) and accepts and agrees to the terms and provisions of this Waiver; provided that Lienholder is provided notice and an opportunity to cure pursuant to Section 4 of the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation.

LIENHOLDER:

By: _____

Name: _____

Title: _____

THE STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 20__, by _____, the _____ of _____, on behalf of said entity.

Notary Public, State of _____

After recording, return to:

* Attached description of the Property as **Schedule 1** prior to executing.

Exhibit "C"**ARTICLE V RELEASE OF REDEMPTION AGREEMENT**

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
 COUNTY OF _____ §

WHEREAS, the land described in the attached Exhibit "A" ("Property") is located within the Chalk Hill Public Improvement District No. 2 ("District");

WHEREAS, _____ is the owner of the Property ("Owner");

WHEREAS, the Property is subject to the terms of the Agreement Regarding Conveyance of Right of Redemption And Waiver of Agricultural Valuation – Chalk Hill Public Improvement District No. 2 with an effective date of _____, 2018, and recorded in Document No.

_____, Official Public Records of Collin County, Texas ("Redemption Agreement");

WHEREAS, the City of Celina and the Trustee are parties to the Redemption Agreement;

WHEREAS, pursuant to the Redemption Agreement certain rights to redeem the Property under the Texas Tax Code (as described in the Redemption Agreement) were conveyed to the Trustee (defined below);

WHEREAS, The U.S. Bank, National Association, is the Trustee, as defined in the Redemption Agreement;

WHEREAS, pursuant to Section 4 of the Redemption Agreement, the Trustee is authorized to deliver a Waiver of Agricultural Use to the appropriate Tax Assessor/Collector office in the event that delinquent taxes or Special Assessments are owed on the Property;

WHEREAS, pursuant to Section 2 of the Redemption Agreement, the City and the Trustee are authorized to release property from the terms of the Redemption Agreement; and

WHEREAS, the City and the Trustee have determined that the Property should be released from the terms of the Redemption Agreement;

NOW, THEREFORE, for and in consideration of the above stated premises, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged by the City of Celina and the Trustee, the City of Celina and the Trustee do hereby forever release and discharge the Property from all terms, restrictions, covenants and conditions of the Redemption Agreement in its entirety, and release any and all rights that the City of Celina and the Trustee had, have or may have by virtue of the Redemption Agreement. In no event shall this release have any impact on land within the District other than the Property described in the attached Exhibit "A".

Trustee has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto Owner all rights that Trustee and its successors and assigns now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise in the "Tax Redemption Rights," as defined in the Redemption Agreement with respect to the Property described in the attached Exhibit "A".

TO HAVE AND TO HOLD the Tax Redemption Rights in the Property, described in the attached Exhibit "A", belonging in any way to Trustee, unto the Owner, its successors and assigns, forever, and Trustee does hereby bind itself and its respective successors and assigns, to WARRANT AND FOREVER DEFEND all and singular, the Tax Redemption Rights in the

Property, described in the attached Exhibit "A", unto the Owner, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof by, through, or under Trustee, but not otherwise.

[SIGNATURE PAGE FOLLOWS]

WITNESS THE EXECUTION HEREOF this the ____ day of _____, 20__.

City of Celina

By:_____

THE STATE OF TEXAS §

§

COUNTY OF COLLIN §

This instrument was acknowledged before me on _____, 20____, by
_____, the _____ of the City of Celina, Texas, a home rule
city and Texas municipal corporation, on behalf of said city and municipal corporation.

Notary Public, State of Texas

WITNESS THE EXECUTION HEREOF this the ____ day of _____, 20____.
Trustee

By:_____

THE STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 20____,
by _____, the _____ of _____, on
behalf of said entity.

Notary Public, State of _____

* Attached description of the Land as **Exhibit A** prior to recording.
After Recording Mail to:

EXHIBIT "D"**ARTICLE VI ACKNOWLEDGMENT OF ASSUMPTION AND CONVEYANCE OF RIGHT OF REDEMPTION**

This Acknowledgment of Assumption and Conveyance of Right of Redemption (this "Acknowledgment and Agreement") is entered into effective _____, 20__ by _____, a _____ (whether one or more, the "Buyer") in favor of the City of Celina, Texas (the "City") and the Trustee, as such term is defined in the Redemption Agreement (defined below).

R E C I T A L S

A. WHEREAS, Buyer has purchased and acquired certain land described on **Exhibit A** attached hereto (the "Land"); and

B. WHEREAS, the Land is subject to that certain Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Chalk Hill Public Improvement District No. 2, dated on or about _____, 2018 (the "Redemption Agreement"); and

C. WHEREAS, pursuant to the requirements of the Redemption Agreement, it is a condition to the acquisition of the Land that the Buyer execute this Acknowledgment and Agreement and record same in the Real Property Records of Collin County, Texas; and

D. WHEREAS, the purchase price paid by Buyer for the Property was calculated and determined, in part, based upon the benefits and restrictions applicable to the Land and arising in connection with the Redemption Agreement and the other agreements executed in connection therewith and the requirement that Buyer execute this Acknowledgment and Agreement.

NOW, THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer hereby represents, warrants and agrees as follows:

1. Buyer acknowledges that the Redemption Agreement continues to affect the Land, and that Buyer has assumed, and Buyer hereby does assume and agree to perform, the obligations of the Developer (as such term is defined in the Redemption Agreement) under the Redemption Agreement with respect to the Land.

2. Buyer hereby grants, sells, conveys and assigns to the Trustee all rights Buyer and its successors and assigns now have or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire, following any foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, any portion of the Land that constitutes Exempt Property (as defined in the Redemption Agreement), including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended but excluding any redemption rights arising out of the homestead status of the Property. In the event that the foregoing conveyance is not effective, Buyer hereby absolutely, unconditionally and irrevocably waives, releases, relinquishes and surrenders forever, on behalf of itself and its successors and assigns, and agrees not to assert or exercise any and all rights it now has or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire, following

any foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, any portion of the Land that constitutes Exempt Property, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended.

3. Concurrently with the execution and delivery of this Acknowledgment and Agreement, Buyer has executed and has delivered (or will promptly deliver) to the Trustee to be held in escrow a Waiver of Special Appraisal in the form attached as **Exhibit B** to the Redemption Agreement waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to the Land. Such agreement shall be held in, and released from, escrow in accordance with the provisions of Section 4 of the Redemption Agreement.

EXECUTED to be effective as of the date first above written.

ARTICLE VII[SIGNATURE PAGES FOLLOW]

BUYER:

THE STATE OF TEXAS §

§

COUNTY OF _____ §

This document was acknowledged before me on _____, 20__, by
_____, the _____ of _____, a
_____, on behalf of said entity.

Notary Public in and for the State of Texas

* Attached description of the Land as **Exhibit A** prior to recording.



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Jason Laumer, City Manager
CC: Jason Laumer, City Manager
Date: March 23, 2018
Re: Non-Signed Contract Revocation Ordinance

Action Requested:

Consider and act upon an ordinance of the City of Celina, Texas, rescinding, revoking and declaring as void ab initio contracts with the City if all parties have not signed and returned signatures to the City within 180 days from the date of City Council action; providing for a cumulative repealer clause; providing for severability; providing for engrossment and enrollment; and providing for an effective date of March 23, 2018.

Background Information:

This ordinance causes the automatic revocation and voiding of any contracts or agreements with the City that have not been signed by all parties and returned to the City within 180 days of Council action.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This ordinance has been reviewed by a city attorney.

Supporting Documents:

- Proposed ordinance

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CELINA, TEXAS, RESCINDING, REVOKING AND DECLARING AS VOID AB INITIO CONTRACTS WITH THE CITY IF ALL PARTIES HAVE NOT SIGNED AND RETURNED SIGNATURES TO THE CITY WITHIN 180 DAYS FROM THE DATE OF CITY COUNCIL ACTION; PROVIDING FOR A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE OF MARCH 23, 2018.

WHEREAS, the City of Celina is a Home Rule Municipality located in Collin and Denton County, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas and the Celina City Charter (the “City”); and

WHEREAS, the authority to enter into contracts is vested in the City Council of the City of Celina, Texas (the “City Council”), unless otherwise expressly delegated to the City Manager; and

WHEREAS, it is a long-standing rule of law that binding and valid contracts must contain an offer and acceptance in strict compliance with the terms of the offer, consideration, a meeting of the minds consenting to the terms, and proper execution and delivery of the contract with the intent that it be mutual and binding on all parties¹; and

WHEREAS, Texas courts have held that evidence of mutual assent in written contracts generally consists of signatures of the parties and delivery with the intent to bind²; and

WHEREAS, under standard contract principles, the presence or absence of signatures on a written contract is relevant to determining whether a contract is binding on the parties³; and

WHEREAS, Texas law recognizes that a contract need not be signed to be executed unless the parties explicitly require signatures as a condition of mutual assent⁴; and

WHEREAS, it is the express intent of City Council and the City’s policy that signing a contract is a condition precedent to contract formation between the City and another party⁵; and

¹ *Copeland v. Alsobrook*, 3 S.W.3d 598, 604 (Tex.App.-San Antonio 1999, pet. denied).

² See *Angelou v. African Overseas Union*, 33 S.W.3d 269, 278 (Tex. App.—Houston [14th Dist.] 2000, no pet.) (citing *Hallmark v. Hand*, 885 S.W.2d 471, 476 (Tex. App.—El Paso 1994, writ denied), for the proposition that one of the elements generally required to create an enforceable contract is “[e]xecution and delivery of the contract with an intent that it become mutual and binding on both parties”).

³ *In re Bunzl USA, Inc.*, 155 S.W.3d 202, 209 (Tex. App.—El Paso 2004, no pet).

⁴ *Mid-Continent Cas. Co. v. Global Enercom Mgmt., Inc.*, 323 S.W.3d 151, 157 (Tex. 2010).

⁵ *Simmons & Simmons Constr. Co. v. Rea*, 286 S.W.2d 415, 418 (Tex. 1956) (a contract need not be signed by the

WHEREAS, pursuant to the City's policy and in accordance with Texas law, contracts that are not signed by another party subject to a contract with the City never became effective because the party did not express mutual assent thereby binding the party to the contract; and

WHEREAS, the City Council desires for all contracts acted on by the City Council, but not signed by an authorized individual thereby binding a party to a contract with the City and returned with the signatures expressing mutual assent within 180 days from the date of City Council action to be automatically rescinded and revoked, and that the contract is void ab initio as a direct result of the omission of the other party subject to the contract; and

WHEREAS, the City Council has investigated into, has determined and officially finds that rescinding, revoking and declaring these contracts void ab initio is in the City's best interest and in accordance with the City's policy, federal and state law.

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 and are declared to be the legislative findings of the City Council.

SECTION 2 **INVALID CONTRACTS ARE RESCINDED, REVOKED AND DECLARED VOID AB INITIO**

The City Council hereby declares that all contracts, regardless of whether the contract is labeled as or called a contract, agreement, or otherwise, approved and acted on by the City Council will automatically be rescinded and revoked without further action of the City Council, and the contract is void ab initio if all parties have not signed and returned signatures to the City within 180 days from the date of City Council action, and is of no force or effect whatsoever, as if same had never been executed by any party, and no party shall have any obligation to the other party subject to the contract. To the extent a contract is not void ab initio it is hereby repudiated in its entirety. City Council further declares that no prior notice is required to those parties who failed and/or refused to sign a contract when the 180 days expires.

SECTION 3 **CUMULATIVE REPEALER**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the

parties to be binding, but the parties may insist upon signing as a condition precedent to contract formation) *See also In re Bunzl*, 155 S.W.3d at 209 ([T]he question of whether a written contract must be signed to be binding is a question of the parties' intent." "[I]f the parties have unconditionally assented to terms stated in an unsigned document, the document constitutes a binding written contract, regardless of whether it is signed.")

provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

SECTION 4 **SEVERABILITY**

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City of Celina hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

SECTION 5 **ENGROSSMENT AND ENROLLMENT**

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

The City Secretary may provide notice of the enrollment of this Ordinance by publishing the caption in the City's official newspaper, however the date of publication shall not change the effective date set forth in this Ordinance.

SECTION 6 **EFFECTIVE DATE**

This Ordinance shall be in full force and effect from and after its date of passage by the City Council and shall apply to contracts acted on by the City Council before, on and after March 23, 2018.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas, on this 23rd day of March, 2018.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

APPROVED AS TO FORM:

Vicki Faulkner, City Secretary
City of Celina, Texas

Attorney for the City
City of Celina, Texas



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: March 23, 2018
 Re: Wilson Creek Overlook Development Agreement

Action Requested:

Consider and act upon the approval of a Chapter 43 Pre-Annexation Development Agreement for the Overlook at Wilson Creek, a Single Family Residential Development on an approximately 61.035 acre tract of land situated in the McKinzie Wilhite Survey, Abstract 1008 & 1009. The property is generally located east of County Road 86, North of County Road 83, South of Choate Parkway and west of FM 2478; (Overlook at Wilson Creek)

Background Information:

The Overlook at Wilson Creek is a proposed residential subdivision to be located on County Road 86 (future Coit Rd.)

The development regulations for the property will allow for a maximum of 225 lots to be constructed throughout the +/- 61 acre tract. Lots are to be a minimum of 5,500 square feet in size and at least 50 feet in width when measured at the front building setback line.

There will be over 5,000 linear feet (approximately 1 mile) of concrete pedestrian trails and over 2,000 linear feet of on street bike paths constructed throughout the development that will connect provided open space areas as well as contribute to the overall future trails system of the City. The development will provide 10 acres (+/- 15%) of open space for future neighborhood residents, open spaces will be owned and maintained by the Homeowners association. Furthermore, a 40 foot landscape buffer is to be provided along CR 86/Coit Road that is to be landscaped with various ornamental vegetation, and trees. The developer has also agreed to provide a "tot lot" for the construction of commercial grade playground equipment along with passive recreation fields for the use of neighborhood sports and/or community gatherings.

The development agreement for the Overlook at Wilson Creek also contains provisions regarding the developer's obligations to construct adjacent thoroughfares as well as establish provisions for the properties annexation into the City Limits prior to the tracts development.

Supporting Documents:

- Proposed Development Agreement

Staff Recommendation:

Staff recommends approval as presented.

DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is made and entered into by and between the City of Celina (the "City"), a home rule municipality located within Collin County, Texas, and Rene Bates (the "Owner") (the City and the Owner each individually, a "Party" and collectively, the "Parties") as of _____, 2018 (the "Effective Date").

RECITALS

WHEREAS, the City is a home rule municipal corporation duly organized and validly existing under the laws of the State of Texas located within Collin County, Texas ("Collin County"); and

WHEREAS, the Owner owns that certain 60.971-acre tract of land described by metes and bounds in Exhibit A and depicted on Exhibit B attached hereto (the "Property"); and

WHEREAS, the Property is currently located wholly within the extraterritorial jurisdiction ("ETJ") of the City adjacent to the City's corporate limits; and

WHEREAS, the Parties have determined that they have the authority to enter into this Agreement, including, but not limited to, the authority granted by Section 212.172, Texas Local Government Code, as amended; and

WHEREAS, the City is agreeable to the Property being developed pursuant to this Agreement, which will remain in place for a 15-year term and be binding on subsequent purchasers of all or a portion of the Property as provided herein and by Section 212.172, Texas Local Government Code; and

WHEREAS, it is the intent of this Agreement to establish certain legally binding restrictions and commitments to be imposed upon the Property; and the Parties are proceeding in reliance on the enforceability of this Agreement; and

WHEREAS, the Parties intend for the Owner to assign this Agreement to Celina Ownsby Coit, LLC., a Texas limited liability company ("Purchaser") when such entity buys the Property; and

WHEREAS, it is the intent of this Agreement to establish certain legally binding restrictions and commitments to be imposed upon the Property, and the City, the Owner and Purchaser are proceeding in reliance on the enforceability of this Agreement; and

WHEREAS, the Parties intend for this Agreement to terminate if Purchaser does not close on the purchase of the Property by July 17, 2018; and

WHEREAS, Section 212.172(b)(7), Texas Local Government Code, allows the Parties to provide for the terms of annexation.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the Parties hereby agree as follows:

ARTICLE I **REPRESENTATIONS**

1.01 Recitals. The recitals contained in this Agreement are true and correct as of the Effective Date and form the basis upon which the Parties negotiated and entered into this Agreement.

1.02 Authority. The City represents and warrants that this Agreement has been approved and duly adopted by the City Council of the City in accordance with all applicable public meeting and public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act), and that the individual executing this Agreement on behalf of the City has been authorized to do so. The Owner represents and warrants that this Agreement has been approved by appropriate action of the Owner, and that the individuals executing this Agreement on behalf of the Owner have been authorized to do so.

ARTICLE II **PURPOSES, CONSIDERATION, AND TERM**

2.01 Purposes. The Parties desire to enter into this Agreement to provide for the annexation of the Property and to provide for the terms of annexation; specify the uses and development of the Property before and after annexation; and include other lawful terms and consideration.

2.02 Consideration. The covenants of, benefits to, and performances by, the Parties set forth in this Agreement, plus the mutual promises expressed herein, are good and valuable consideration for this Agreement, the sufficiency of which is hereby acknowledged by the Parties.

ARTICLE III **REGULATION OF DEVELOPMENT**

3.01 Governing Regulations. Development of the Property shall be governed by the Concept Plan attached as **Exhibit C**, as amended in accordance with this Agreement (the "Concept Plan") and the development regulations attached as **Exhibit D** (the "Development Regulations") (together, the "Governing Regulations"). The following information on the Concept Plan is informational only and subject to change by the Owner without City approval provided the changes meet the requirements of this Agreement: the lot layout, the location of different single family product types, the street layout, points of ingress and egress, the location, size, shapes, and configuration of open space, and the phasing (both the size of the phase and the order of phasing may be changed); however, no change shall increase the number of residential lots beyond 225 or decrease the amount of open space to less than ten acres and no change shall conflict with an approved final plat. All other revisions to the Concept Plan require City Council

approval. Owner shall submit a true and full copy of the revised Concept Plan to the City Manager for the purpose of allowing the City to confirm that the revision does not require the City's approval. Currently the Property is subject to the City's subdivision ordinance and other City ordinances that apply in the ETJ. Upon annexation, the Property shall be subject to all City ordinances, as they presently exist or may be amended (the "City Ordinances"), subject to Section 3.03. Nothing herein shall be construed as a waiver of the Owner's right to challenge the application of an ordinance to the Property on the basis of vested rights or any other cause of action arising under the law.

3.02 Zoning. Upon annexation of the Property, the City agrees to consider adopting a planned development zoning district ordinance for the Property consistent with Section 3.01, the Concept Plan attached as **Exhibit C**, and the Development Regulations attached as **Exhibit D**, although nothing herein shall be construed as a contractual requirement for the City to adopt any particular zoning regulations for the Property. Notwithstanding any zoning of the Property to the contrary following annexation, the Property may be developed and used consistent with Section 3.01, the Concept Plan attached as **Exhibit C**, and the Development Regulations attached as **Exhibit D**.

3.03 Conflicts. In the event of any conflict between this Agreement and the City Ordinances, this Agreement, including the Development Regulations, shall control. If this Agreement is silent on any topic, the City Ordinances shall control.

3.04 Enforcement Rights After Annexation and Zoning. Upon annexation of the Property or any portion thereof, the City shall have all of the same enforcement rights to enforce compliance with the Governing Regulations with respect to such Property that it otherwise enjoys under the law to enforce development regulations within the City's corporate limits.

3.05 Discontinuation of Land Use. The Parties agree that should the City annex all or any portion of the Property, the City may pursue the discontinuation of non-conforming land uses without regard to whether and for what length of time a particular land use existed prior to annexation into the City if such use is not permitted by the Concept Plan and Development Regulations.

ARTICLE IV

TERM; ANNEXATION

This Agreement shall have a 15-year term starting on the Effective Date (the "Term"); provided, however, this Agreement shall be void ab initio and shall have no force or effect if, and only if, Purchaser does not, by July 17, 2018 (a) purchase the Property; and (b) following such purchase of the Property, submit to the City a petition for the voluntary annexation of the Property, in accordance with Chapter 43, Subchapter C-3, Texas Local Government Code, signed and notarized by the Purchaser. If Purchaser purchases the Property from the Owner, Purchaser shall also be defined as the "Owner" and as a "Party" for purposes of this Agreement.

ARTICLE V
ROADWAYS; FEES; PARKLAND DEDICATION

5.01 Coit Road.

(a) The Owner agrees to dedicate 60 feet of right-of-way for Coit road (measured from the centerline of the existing two-lane asphalt road) adjacent to the western boundary of the Property at the time the portion of the Property adjacent to Coit Road is final platted. In addition, the Owner agrees to dedicate an additional ten feet of right-of-way south of each entrance into the Property from Coit Road, including, but not limited to, the intersection with Punk Carter Parkway for a future north bound right turn lane. No other dedications of right-of-way for thoroughfares or perimeter roads shall be required except as mentioned below for Punk Carter Parkway.

(b) The Owner shall not be required to make or fund any improvements to Coit Road, including any landscaping, paving, or other improvement in the Coit Road right-of-way. Any requirements to escrow fees for road improvements pursuant to Section 10.03.122(r)(4) of the City Code or other provisions of the City Code shall be waived for Coit Road. The City shall be responsible for making all improvements in the Coit Road right-of-way, and completion of any such improvements shall not be a condition to any plat, permit, or other development approvals.

5.02 Punk Carter Parkway. The Owner shall be required to construct, at its sole cost, the segment of Park Carter Parkway within the Property, as shown on the City's Master Thoroughfare Plan in effect on the Effective Date, as part of the improvements constructed with the first final plat of the Property or any portion thereof.

5.03 Fees. Notwithstanding anything to the contrary in this Agreement, no capital recovery fees including, but not limited to, pro rata fees, impact fees for water, sewer, and roadways, park fees, park maintenance fees, and other capital recovery fees, shall be charged against the Property other than the following fees:

(a) Park fees in the amount of \$1,500 per residential dwelling unit, collected at the time of final plat approval. Other than what is required by **Exhibit D**, no parkland dedication or construction of park improvements shall be required, and no fee related to maintenance of park improvements shall be required.

(b) Water capital recovery fees in the amount of \$2,000 per residential dwelling unit collected at the time of building permit issuance.

(c) Sewer/wastewater capital recovery fees in the amount of \$2,000 per residential dwelling unit collected at the time of building permit issuance.

(d) Roadway capital recovery fees in the amount of \$1,500 per residential dwelling unit collected at the time of building permit issuance.

(e) Technology capital recovery fees for conduit, fiber optic, and similar improvements in the amount of \$500 per residential lot, collected at the time of building permit issuance.

ARTICLE VI **ASSIGNMENT AND ENCUMBRANCE**

6.01 Assignment by Owner to Successor Owners.

(a) The Owner has the right (from time to time) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the Owner under this Agreement to any person or entity (an "Assignee") that is an affiliate of the Owner or that is or will become an owner of any portion of the Property without City consent. An Assignee is considered the "Owner" and a "Party" under this Agreement for purposes of the obligations, rights, title, and interest assigned to the Assignee.

(b) Notice of each assignment to an Assignee shall be provided to the City not later than 15 days after the effective date of the assignment, which notice shall include a copy of the fully executed assignment document together with the name, address, telephone number, and e-mail address (if available) of a contact person representing the Assignee who the City may contact for additional information regarding the experience and background of the Assignee.

(c) Each assignment shall be in writing executed by the Owner and the Assignee, and the Assignee shall expressly accept the obligations and agree to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. If the assignment contains said express acceptance and agreement by the Assignee and a copy has been provided to the City, then from and after the date the City receives a copy of such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that the Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations.

(d) No assignment by the Owner shall release the Owner from any liability that resulted from an act or omission by the Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing.

6.02 Assignment by the City. The City shall not assign this Agreement.

6.03 Encumbrance by Owner and Assignees. The Owner and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written notice to, the City. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including notice information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in accordance with the cure periods otherwise provided to the defaulting Party by this Agreement; and the City agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial unless otherwise agreed to in writing by lender and the City. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

ARTICLE VII

ADDITIONAL PROVISIONS

7.01 Binding Obligations. Pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code, this Agreement, and all amendments hereto, shall be recorded in the deed records of Collin County. In addition, all assignments of this Agreement shall be recorded in the deed records of Collin County. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property; however, this Agreement, except for Section 7.09 below, shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-buyer of a fully developed and improved lot ("an End-Buyer") and shall not negate the End-Buyer's obligation to comply with the City Ordinances, including but not limited to zoning ordinances.

7.02 Releases. From time to time upon the written request of the Owner, the City shall execute, in recordable form, a release of this Agreement if the Owner's obligations under this Agreement have been satisfied, subject to the continued application of the Governing

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

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

With a copy to: Attn: Lance Vanzant
Hayes, Berry, White & Vanzant, LLP
512 W. Hickory St., Suite 100
Denton, TX 75206
E-mail: lvanzant@hbwvlaw.com

With a copy to: Attn: Julie Fort
 Messer, Rockefeller & Fort , P.L.L.C.
 6371 Preston Rd., Suite 200
 Frisco, Texas 75034
 E-mail: julie@txmunicipallaw.com

To the Owner: Rene Bates
 4660 C.R. 1006
 McKinney, Texas 75071

 Celina Ownsby Coit, LLC
 106 Decker Drive, Suite 310
 Irving, TX 75062
 E-mail: terry.mitchell@contrastdevelopment.com

With a copy to: Attn: Misty Ventura
 Shupe Ventura Lindelow & Olson, PLLC
 9406 Biscayne Blvd.
 Dallas, Texas 75218
 E-mail: misty.ventura@svlandlaw.com

7.06 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than five business days after written notice of the alleged failure has been given in the case of a default of an obligation to make a payment required under this Agreement and 30 days after written notice of the alleged failure in all other cases). In addition, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. If a Party who has received notice under this section cannot cure an alleged failure to perform within 30 days after receipt of written notice, such Party shall give written notice to the other Party within such 30 day period (a) stating that the Party cannot cure the alleged failure within 30 days after receipt of written notice, and explaining the reason; and (b) providing a date by which such Party can reasonably cure the alleged failure ("Cure Time Notice"). A Party who does not timely provide a Cure Time Notice shall be deemed to be able to cure the alleged failure to perform within 30 days after the initial written notice of the alleged failure has been given.

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

- (a) entitle the aggrieved Party to terminate this Agreement; or

(b) entitle the aggrieved Party to suspend performance under this Agreement unless (i) the portion of the Property for which performance is suspended is the subject of the default, or (ii) the portion of the Property for which performance is suspended is owned or controlled by the owner or developer in default (for example, the City shall not be entitled to suspend its performance with regard to the development of "Tract X" by "Developer A" based on the grounds that any other developer is in default with respect to any other tract but may suspend performance with regard to development of "Tract X" and all tracts owned by "Developer A" if "Developer A" is in default on "Tract Y"); or

(c) entitle the aggrieved Party to seek or recover monetary damages of any kind; or

(d) limit the term.

7.08 Limited Waivers of Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights, except to the extent permitted by law and necessary to allow the Owner to enforce its remedies under this Agreement. THE CITY CONFIRMS ITS IMMUNITY FROM SUIT AND IMMUNITY FROM LIABILITY IS WAIVED WITH RESPECT TO THE ENFORCEMENT OF THIS AGREEMENT BY THE OWNER.

7.09 Reservation of Rights. This Agreement constitutes a "permit" within the meaning of Chapter 245, Texas Local Government Code, as amended. In the event the voluntary annexation as contemplated by this Agreement is not completed, the Parties expressly consent to completion of annexation of the Property by City during the Term and agree: (a) that this Agreement is an agreement required by Section 43.016, as amended, of the Texas Local Government Code; (b) that this Agreement is a written agreement regarding services required by Section 43.0672, as amended, of the Texas Local Government Code; (c) that this Agreement is a voluntary petition by the owners of the Property for annexation in compliance with Section(s) 43.0671 and/or 43.028, as amended, of the Texas Local Government Code, or is a petition satisfying all requirements of Section 43.0685, as amended, of the Texas Local Government Code; and (d) that neither the Owner, Purchaser, any End-Buyer or subsequent owner shall sign a petition authorized by Section 43.0687, as amended, of the Texas Local Government Code. The provisions of this Section 7.09 are considered by the Parties to be terms for annexation authorized by Section 212.172(b)(7) of the Texas Local Government Code.

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

7.11 Enforceability. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions and that the performance by the Parties under this Agreement is authorized by Section 212.172 of the Texas Local Government Code.

7.12 Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the

subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, such unenforceable provision shall be deleted from this Agreement, and the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (a) if it is determined that, as of the Effective Date, the Owner does not own an immaterial portion of the Property, this Agreement shall remain in full force and effect with respect to all of the Property that the Owner does then own, and (b) if it is determined, as of the Effective Date, that any portion of the Property is not within the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that is then within the City's ETJ. If at any time after the Effective Date it is determined that any portion of the Property that is owned by the Owner, or the Owner's successors and assigns, is not within the City's ETJ, then the Owner, or the Owner's successors and assigns, shall petition the City to include such portion of the Property within the City's ETJ and then voluntarily petition for annexation of that portion of the Property into the City's corporate limits.

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

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

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

7.16 Exhibits. The following Exhibits are attached to this Agreement and are part of this Agreement:

Exhibit A	Metes and Bounds Description of Property
Exhibit B	Depiction of the Property and Survey of the Property
Exhibit C	Concept Plan
Exhibit D	Development Regulations
Exhibit E	Conceptual Open Space and Trail Plan

7.17 **THE OWNER'S ACKNOWLEDGEMENT OF THE CITY'S COMPLIANCE WITH FEDERAL AND STATE CONSTITUTIONS, STATUTES AND CASE LAW AND FEDERAL, STATE AND LOCAL ORDINANCES, RULES AND REGULATIONS/OWNER'S**

WAIVER AND RELEASE OF CLAIMS FOR OBLIGATIONS IMPOSED BY THIS AGREEMENT.

(a) THE OWNER ACKNOWLEDGES AND AGREES THAT:

(i) THE PUBLIC IMPROVEMENTS TO BE CONSTRUCTED UNDER THIS AGREEMENT, AND THE FEES TO BE IMPOSED BY THE CITY PURSUANT TO THIS AGREEMENT, REGARDING THE PROPERTY, IN WHOLE OR IN PART, DO NOT CONSTITUTE A:

(A) TAKING UNDER THE TEXAS OR UNITED STATES CONSTITUTION;

(B) VIOLATION OF THE TEXAS LOCAL GOVERNMENT CODE, AS IT EXISTS OR MAY BE AMENDED; AND/OR

(C) NUISANCE.

(ii) ASSUMING NO DEFAULTS UNDER THIS AGREEMENT, THE AMOUNT OF THE OWNER'S FINANCIAL AND INFRASTRUCTURE CONTRIBUTION FOR THE PUBLIC IMPROVEMENTS UNDER THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE DEMAND THAT THE OWNER'S ANTICIPATED IMPROVEMENTS AND THE OWNER'S DEVELOPMENT OF THE PROPERTY PLACES ON THE CITY'S INFRASTRUCTURE.

(iii) ASSUMING NO DEFAULTS UNDER THIS AGREEMENT, THE OWNER AGREES TO WAIVE AND RELEASE ALL CLAIMS IT MAY HAVE AGAINST THE CITY WITH RESPECT TO THE IMPROVEMENTS REQUIRED TO BE CONSTRUCTED BY THIS AGREEMENT RELATED TO ANY AND ALL: (A) CLAIMS OR CAUSES OF ACTION BASED ON ILLEGAL OR EXCESSIVE EXACTIONS; AND (B) ROUGH PROPORTIONALITY AND INDIVIDUAL DETERMINATION REQUIREMENTS MANDATED BY THE UNITED STATES SUPREME COURT IN *DOLAN V. CITY OF TIGARD*, 512 U.S. 374 (1994), AND ITS PROGENY, AS WELL AS ANY OTHER REQUIREMENTS OF A NEXUS BETWEEN DEVELOPMENT CONDITIONS AND THE PROJECTED IMPACT OF THE PUBLIC IMPROVEMENTS.

(b) THIS SECTION 7.17 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement to be effective as of the Effective Date.

CITY:

CITY OF CELINA, TEXAS

By: _____
Sean Terry, Mayor

ATTEST:

By: _____
Vicki Faulkner, City Secretary

THE STATE OF TEXAS §
 §
COUNTY OF COLLIN §

On _____, 2018, before me, the undersigned personally appeared Sean Terry, Mayor, of the City of Celina and proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity.

[SEAL]

Notary Public in and for the State of TEXAS

My Commission Expires:

Attachment: 2018.002.001f - LEGAL-#70635-v7-Celina_Development_Agreement (Wilson Creek Overlook Development Agreement)

OWNER:

 Rene Bates
THE STATE OF TEXAS §**§****COUNTY OF DALLAS §**

This instrument was acknowledged before me on _____, 2018, by Rene Bates,
an individual.

[SEAL]

 Notary Public in and for the State of TEXAS

My Commission Expires:

BY THE SIGNATURE BELOW, PURCHASER ACKNOWLEDGES, AGREES AND CONSENTS TO THIS AGREEMENT.

PURCHASER:

CELINA OWNSBY COIT, LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2018, by _____, _____ of Celina Ownsby Coit, LLC, a Texas limited liability company, on behalf thereof.

Notary Public in and for the State of TEXAS

Attachment: 2018.002.001f - LEGAL-#70635-v7-Celina_Development_Agreement (Wilson Creek Overlook Development Agreement)

EXHIBIT A
METES AND BOUNDS DESCRIPTION OF THE PROPERTY

EXHIBIT "A"
(METES & BOUNDS DESCRIPTION)

BEING a tract of land situated in the McKenzie Wilhite Survey, Abstracts 1008 and 1009, Collin County, Texas, said tract being a remainder of that tract of land conveyed to Rene Bates, according to the document filed of record in Volume 3861, Page 2239, Land Records Collin County, Texas, said tract of land being more particularly described as follows:

BEGINNING at the northwest corner of that tract of land conveyed to Christopher Wesson Bosh and Adrienne Bosh, according to the document filed of record in Document Number 20131001001373380, Official Public Records Collin County, Texas, located in the east line of that tract of land conveyed to Tambros Land Company, LLC, according to the document filed of record in Document Number 20170106000027700, Official Public Records Collin County, Texas, from which a "PK NAIL" found for witness in Collin County Road 86 bears North 03°49'24" West, 0.50 feet;

THENCE North 00°49'54" West, generally with said road and the west line of the above mentioned Bates tract, a portion of the east line of said Tambros tract and passing at a distance of 210.00 feet a "PK NAIL" found for the northeast corner of said Tambros tract, same being common with the southeast corner of that tract of land conveyed to Westgate 115 Investors, L.P., according to the document filed of record in Document Number 20130621000869270, Official Public Records Collin County, Texas and continuing with the east line of said Westgate tract, same being common with the west line of said Bates tract for a total distance of 2024.54 feet to a "PK nail" set in said common line for the most westerly northwest corner of this tract;

THENCE North 89°30'21" East, leaving said road and common line, over and across said Bates tract, a distance of 113.00 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for an interior "ell" corner of this tract;

THENCE North 00°49'54" West, a distance of 100.00 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for the most easterly northwest corner of this tract and being in the south line of that tract of land conveyed to Celina Coit 49 Partners, LTD., according to the document filed of record in Document Number 20120612000700130, Official Public Records Collin County, Texas;

THENCE North 89°30'21" East, with said south line, a distance of 1140.10 feet to a 1/2" iron rod found in the west line of that tract of land conveyed to Celina Titus, LLC, according to the document filed of record in Instrument Number 20160401000388930, Official Public Records Collin County, Texas and being the southeast corner of said Celina Coit 49 Partners tract;

THENCE South 01°00'46" East, with said west line, a distance of 861.54 feet to a 1/2" iron rod found for the southwest corner of said Celina Titus tract, same being the northwest corner of that tract of land conveyed to Donald L. Vest, according to the document filed of record in Document Number 93-0016270, Deed Records Collin County, Texas;

Attachment: 2018.002.001f - LEGAL-#70635-v7-Celina_Development_Agreement (Wilson Creek Overlook Development Agreement)

THENCE South 01°06'13" East, with the west line of said Vest tract, a distance of 1257.62 feet to a 1/2" iron rod with red plastic cap stamped "KHA" set in said west line for the northeast corner of the above mentioned Bosh tract;

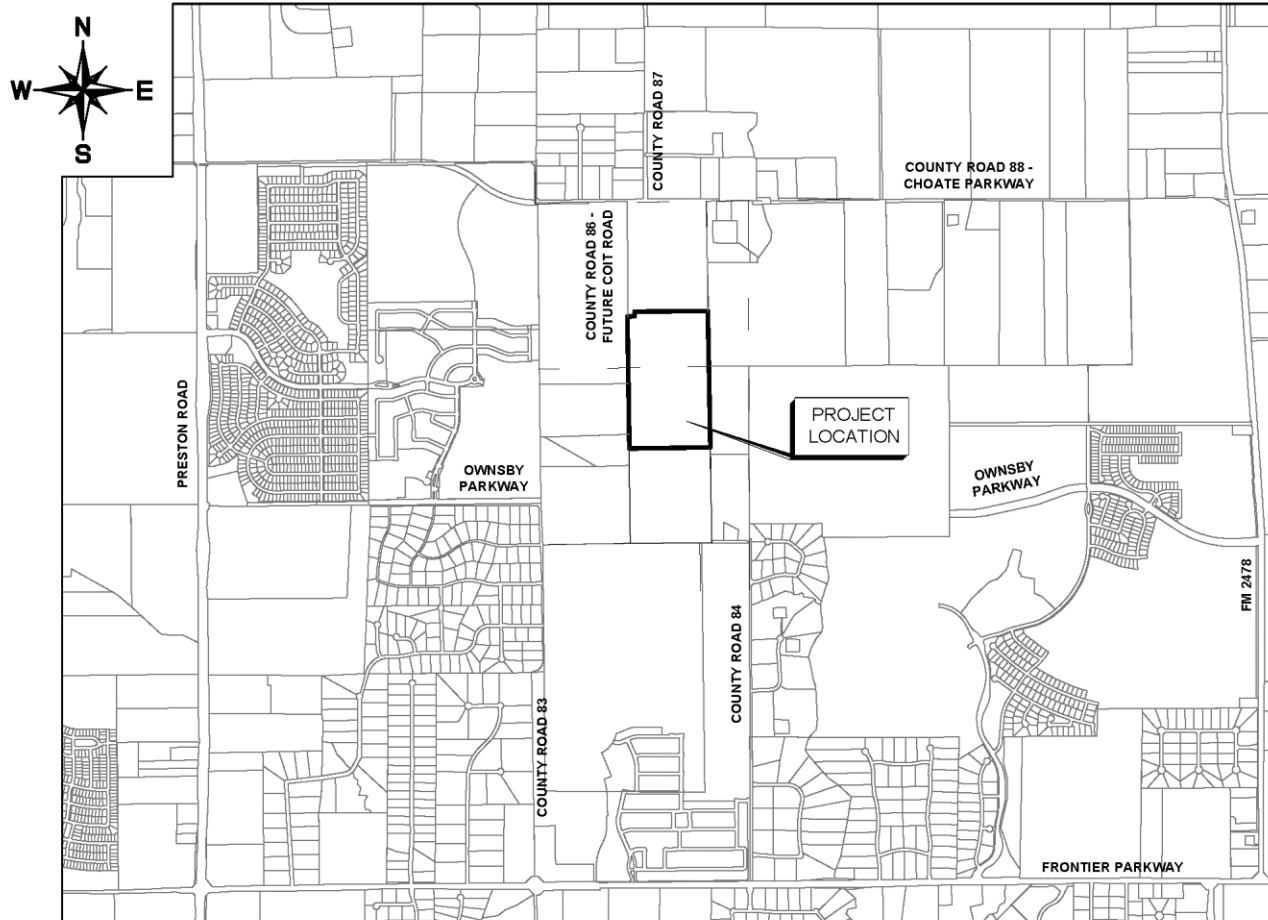
THENCE South 89°15'31" West, leaving said west line and with the north line of said Bosh tract, a distance of 1261.77 feet to the **POINT OF BEGINNING** and containing 60.971 acres (2,655,876 square feet) of land, more or less.

Confidential & Info 3/14/18

Michael B. Marx
Registered Professional Land Surveyor No. 5181
Kimley-Horn and Associates, Inc.
5750 Genesis Court, Suite 200
Frisco, Texas 75034
Ph. 972-335-3580
michael.marx@kimley-horn.com



EXHIBIT B
DEPICTION OF THE PROPERTY AND SURVEY OF THE PROPERTY



VICINITY MAP

1" = 2000'



EXHIBIT C CONCEPT PLAN



EXHIBIT D
DEVELOPMENT REGULATIONS

Planned Development Regulations

For a 60.971-acre tract of land out of the McKenzie Wilhite Survey, Abstract No. 1008 and Abstract No. 1009 in the City of Celina ETJ and Collin County, Texas as described in Exhibit A, Legal Description and as depicted graphically in Exhibit C, Concept Plan.

1.0 Purpose

The purpose of these Development Regulations is to create a well designed, environmentally sensitive community which creates open spaces and trails which link the various areas of the development to encourage and promote outdoor activity among the residents. The open space areas shown on the Concept Plan shall consist of existing corridors, and proposed usable open space dedication (dedicated to the HOA), trails, ornamental trees and shade trees. This development will promote a sense of community, environmental stewardship and a healthy and robust relationship with ones neighbors.

2.0 Definitions

Except as otherwise defined in this Agreement, terms used herein shall be the same as those found in Section 14.01.007 of the Zoning Ordinance for the City of Celina, Texas, in effect on the effective date of this Agreement (the “Zoning Ordinance”).

3.0 General Regulations

- 3.1 A homeowners association shall be established and shall be responsible for the ownership and maintenance of all common areas, including all private open space areas shown on the Concept Plan.
- 3.2 The maximum number of single-family residential lots within the Property shall be 225. The layout for this planned development is shown on the Concept Plan, Exhibit C.
- 3.3 The phasing shown on the Concept Plan is conceptual, and may be modified by the Owner during the development process (both the size of the phase and the order of the phases may be changed).

4.0 Use Regulations

The permitted uses are outlined below:

- 4.1 The following uses are permitted by right except as otherwise noted:
 - 1.Single-family detached

2. Schools (private or public)
3. Civic
4. Country clubs
5. Golf course and related facilities
6. Marketing and sales centers associated with the development of the Property
7. Temporary construction offices and storage yards associated with development of the Property
8. Public works, including drainage facilities, water wells, and water and wastewater treatment, pumping, storage, and transmission facilities
9. Parks, playgrounds, trails, swimming pools, and other forms of improved and unimproved open space
10. Recreation/Amenity centers, pools, cabana buildings and/or locker/changing rooms
11. Temporary concrete or asphalt batch plants associated with development of the Property
12. Houses of worship
13. Agricultural
14. All other SF-R single family residential district uses as it exists or may be amended

5.0 Area Regulations

- 5.1 General Area regulations for residential uses are set forth in the table and notes below in this Section 5.0 which contain the exclusive lot size, setback, height, dwelling size, and lot coverage requirements for the Property.

Minimum Lot Size	5,500 SF
Maximum Building Height	45 feet
Minimum Front Yard Setback (See notes 3 & 5)	20 feet
Minimum Side Yard Setback (Interior Side) (See note 6)	5 feet
Minimum Side Yard Setback (Corner Side) (See notes 6 & 7)	15 feet
Minimum Rear Yard Setback	15 feet
Minimum Lot Width (See notes 1 & 2)	50 feet
Minimum Lot Depth	110 feet
Minimum Dwelling Unit Size	1,250 square feet
Maximum Lot Coverage (See note 4)	60%

1. The lot widths shall be measured along the arc of the front building line.
2. Where front porches or rear covered patios are provided, they shall be permitted to encroach a maximum of five feet into the front or rear setback line.
3. Lot coverage is defined as the footprint of the primary residential structure, excluding without limitation patios (covered or uncovered), pools, driveways, sidewalks and other improvements which are not part of an enclosed building.
4. J-swing garages may encroach into the front building line by five feet.
5. The face of a J-swing garage may be located no closer than 20 feet to the side lot line it faces.
6. For street corner lots with a side touching and adjacent to the front yard of a lot behind it, the side yard on the street side of the lot shall be the same width as the adjacent lot front yard.

6.0 Design Standards

- 6.1 Exterior building facades for residential structures shall meet or exceed the requirements outlined in Section 14.05.152 of the Zoning Ordinance except as follows:
 1. Building materials shall comply with the applicable requirements in Section 14.05.152 of the Zoning Ordinance, except that cementitious fiberboard may be used on the second story provided it is interrupted by an intersecting roof line or another architectural feature. No other building design, layout or architectural standards of the Zoning Ordinance shall apply to detached single-family residences within the Property.
 2. Every detached single-family residence shall have at least two enclosed parking spaces and two spaces on the driveway between the street right-of-way and the front building line.
 3. Front facing garage doors with access from the street shall be allowed provided the garage doors are located at or behind the front building line. Additionally, all front facing garage doors must be in line with or behind the front facade of the house. Front facade shall be defined as the front of a building, or any face of a building given special architectural treatment. In order for a front porch to be treated as the front of the building, it must extend the length not encompassed by a garage and must be covered.
 4. The primary roof pitch for residential building types shall not be less than 8:12. The minimum pitches do not apply to porches, specialty roofs, awnings, dormers, or other similar architectural features.

5. No building shall exceed a height of more than 45 feet, measured at the mid-point between the top plate and the dominate roof ridge.

7.0 Screening Regulations

7.1 Landscape Buffer:

1. A landscape buffer with a minimum width of 40 feet will be required adjacent to Coit Road except that it may be reduced to 30 feet when a left or right turn lane right-of-way flare occurs. A landscape buffer with a minimum width of 20 feet will be required adjacent to Punk Carter Parkway. Landscape buffers adjacent to the collector and arterial public right-of-way shall contain at least one large canopy tree, minimum 3" caliper, every 50 linear feet or fraction thereof of street frontage, inclusive of driveways. Trees may be grouped or clustered to facilitate site design but shall not exceed 250 linear feet between trees. For every five large canopy trees or fraction thereof required along the street frontage of Coit Road and Punk Carter Parkway, two small ornamental trees, minimum 2.5" caliper, shall also be provided. For every five large canopy trees or fraction thereof required along the street frontage of Coit Road, 1,000 square feet of ornamental planting shall be placed along the sidewalk/ trail. For every five large canopy trees or fraction thereof required along the street frontage of Punk Carter Parkway, 500 square feet of ornamental planting shall be placed along the sidewalk/ trail. Ornamental plantings may be grouped or clustered to facilitate design but shall not exceed 2,500 linear feet between groupings and/or clusters. Sidewalks and trails shall have a meandering alignment and may encroach into the landscape buffer. Landscape planting areas shall be included intermittently along either side of the sidewalk and trail within the Landscape buffer area.

7.2 Screening Fences:

1. For single-family lots siding or backing to Coit Road and Punk Carter Parkway, there shall be a minimum six-foot masonry fence. As an alternative, along Punk Carter Parkway only, a minimum six-foot decorative metal fence with shrubbery, trees and masonry columns (at a minimum spacing of 80 feet), a living screen, earthen berms or any combination thereof may be used for screening.
2. No other screening fence requirements shall apply.

8.0 Open Space Regulations

- 8.1 This section shall satisfy all requirements in 14.03.008 SF-R, single-family residential district for open space dedication, amenities and improvements for the Property.
 1. Open space areas within The Overlook at Wilson Creek containing trails shall be open to the public. Amenity centers, Common Areas, multi-use fields, playground

equipment or other amenities shall be privately owned, maintained and used by the The Overlook at Wilson Creek Homeowners Association and residences only.

2. A minimum of 10 acres (approximately 15 percent of the total planned development acreage), as shown on Exhibit E, Conceptual Open Space and Trail Plan, shall be retained as open space. Such open space may be located anywhere on the Property. For the purposes of this Exhibit D, the term "open space" means natural areas, floodplain, areas used for drainage and detention, common areas and parkway and landscape easements. Open space shall be privately owned. Open space shall not consist of any area platted for residential dwellings or road right-of-way.
3. As shown on Exhibit E, Conceptual Open Space and Trail Plan, over 5000 linear feet of various width concrete pedestrian trail and over 2000 linear feet of on-street bike path will be built within The Overlook at Wilson Creek in phases as the Property is developed. An eight (8) foot wide trail will be installed along the north side of Punk Carter Parkway. A ten (10) foot wide trail will be installed along the east side of Coit Road. A twelve (12) foot wide trail will be installed within the power line easement as shown on the Conceptual Open Space and Trail Plan. The trail shall be located on land dedicated to The Overlook at Wilson Creek HOA.
4. The exact location of the trail shown on Exhibit E, Conceptual Open Space and Trail Plan is conceptual and subject to change at the time the final street and lot layout is determined (construction plat). Further, the trail may be built in phases based on the limits of each construction plat.
5. A tot lot containing commercial grade playground equipment, a border and wood fiber base material within the border will be placed in the northeastern portion of the project as shown on Exhibit E, Conceptual Open Space and Trail Plan. The playground equipment will contain at least ten (10) play events.
6. A multi-purpose sport field/community gathering area will be installed in the open space at the southwest corner of the project. The multi-purpose field will be graded to a relatively smooth surface, hydromulched, and irrigated.
7. Two benches shall be placed in the vicinity of the tot lot, and four benches shall be placed in the vicinity of the multi-purpose field.
8. All open space areas shall be owned and maintained by the HOA.
9. No other amenity requirements listed in Sec. 14.03.008(c)(5) of the SF-R Zoning Ordinance shall be required.
10. Prior to receiving a Certificate of Occupancy, each home backing to the powerline easement shall have one three-inch caliper tree from the City's approved tree list installed in the rear yard.

11. Five three-inch caliper trees from the City's approved tree list shall be planted in and around the tot lot. Additionally, one three-inch caliper tree from the City's approved tree list will be planted for every 50 linear feet of street frontage adjacent to the multi-purpose field which is not part of a lot.
12. A 12-foot wide section of stamped concrete shall be placed across the street at each location where the 12-foot wide trail intersects a street.
13. This Section 8 shall serve as the exclusive open space requirement for this planned development.

9.0 Subdivision Regulations

9.1 Development shall meet the standards as required in the Subdivision Regulations except as follows:

1. Block length – The maximum internal block length shall be 1,200 feet (measured from intersections such as elbows, tees and cross intersections) and shall contain no more than 20 lots on each side of the street. The maximum block length along open space, perimeter property lines or thoroughfares shall be 1500 feet and shall contain no more than 30 lots on one side of the street. Other exceptions to these block length requirements may be granted for special circumstances or conditions affecting the property in question; exceptions shall be applied for as a subdivision ordinance variance and presented to the Planning & Zoning Commission and City Council at the time of Construction/Preliminary Plat consideration for approval. Pecuniary interests standing alone shall not be justification for the granting of a variance.
2. Cul-de-Sac Length and Diameter – The maximum cul-de-sac length is 600 feet. The right-of-way “bulb” radius shall be fifty feet and the paving radius shall be 40.5 feet to back of curb.
3. Street Offset – The minimum street offset at street intersections measured centerline of road to centerline of road shall be 125 feet.
4. Temporary Dead End Streets - temporary dead end streets, which are less than or equal to 150 feet in length, are not required to have a temporary turnaround at the end of the street, even if the dead end street has lots facing it.
5. Plat and GDP Extensions - If requested in writing by the owner or developer of any portion of the Property at least 90 days prior to the expiration date, any approved GDP, construction plat and/or construction plans shall be automatically extended one time for one year. City staff shall provide written confirmation of the one year extension upon receipt of said request from the owner or developer.
6. As construction of each phase is completed, representatives of the City shall inspect the water, sanitary sewer, drainage and roadway improvements. If the City finds

that such improvements have been completed in accordance with the construction plats and specifications approved by the City (or any modifications thereof approved by the City), and in accordance with all other applicable laws, rules and regulations, the City shall accept the same whereupon ownership of such improvements shall be transferred to the City and be operated and maintained by the City at its sole expense. The requirement for acceptance does not apply to recreational facilities and landscaping improvements that will be maintained by a homeowners association. Installation of franchise utilities shall be a requirement for acceptance, except that the developer may sell up to thirty percent of the lots within a platted phase and a builder may build on up to thirty percent of the lots within a platted phase without the completion of such installation if the developer indemnifies the City for any damage to the accepted improvements that results from the franchise utility provider installing such utilities after acceptance by the City. Installation of landscaping, retaining walls on private lots, hardscaping and amenity improvements (whether public or private) shall not be a requirement for acceptance of a subdivision.

Exhibit E
Conceptual Open Space and Trail Plan

