

PUBLIC NOTICE
TOWN OF HICKORY CREEK
REGULAR MEETING OF THE TOWN COUNCIL
1075 RONALD REAGAN AVENUE
August 15, 2017; 6:30 P.M.

Notice is hereby given as required by Title 5; Chapter 551.041 of the Government Code that the Town Council of the Town of Hickory Creek will hold their regular meeting on August 15, 2017; at 6:30 P.M., in the Council Chambers of the Town Hall Building located at 1075 Ronald Reagan Avenue. "NOTE: If, during the course of the meeting, any discussion of any item on the agenda should be held in a closed meeting, the Council will conduct a closed meeting in accordance with the TEXAS OPEN MEETING ACT, TEX. GOVT. CODE, Chapter 551, Sub-Chapters (d) and (e)". The agenda follows:

Regular Session:

A. Call to Order

Roll Call

Pledge of Allegiance to the U.S. and Texas Flags

Invocation

Items of Community Interest: Pursuant to Texas Government Code Section 551.0415 the town council may report on the following: expressions of thanks, congratulations, or condolence; an honorary or salutary recognition of an individual; a reminder about an upcoming event organized or sponsored by the governing body; and announcements involving an imminent threat to the public health and safety of people in the municipality or county that has arisen after the posting of the agenda.

Public Comment: This item allows the public an opportunity to address the council. To comply with the provisions of the Open Meetings Act, the town council cannot discuss or take action on items brought before them not posted on the agenda. Please complete a request if you wish to address the town council. Comments will be limited to three minutes.

Business:

B. Public Hearing:

1. Public Hearing: To hear public opinion regarding the voluntary annexation of a 38.9197 acre tract of land situated in the H.H. Swisher Survey, Abstract 1120, and the M.E.P. & P.R.R. Company Survey, Abstract 915, Denton County Texas; Steeplechase North Addition.

C. Consent Agenda Items:

1. July 2017 Council Meeting Minutes
2. July 2017 Financial Statements
3. Consider and act on the 2017-2018 Hickory Creek Economic Development Corporation Budget.

D. Regular Agenda Items:

1. Consider and act on a resolution approving the 2017-2018 annual update to the service and assessment plan and assessment roll for public improvements for the Hickory Creek Public Improvement District No. 1 in accordance with Chapter 372, Texas Local Government Code, as amended; making various findings and provisions related to the subject; and providing for an effective date.
2. Consider and act on an ordinance authorizing the issuance of the "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1)"; approving and authorizing an indenture of trust, a bond purchase agreement, a continuing disclosure agreement and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date.
3. Consider and act on the Fiscal Year 2017 proposed tax rate and set date for public hearings if the proposed tax rate exceeds the lower of the effective rate or rollback rate.
4. Consider and act on approving the 2017-2018 Fiscal Year preliminary budget for public inspection and comment and set September 19, 2017 as the date for the public hearing.
5. Discussion regarding allowing alcohol at special events sponsored by the Town of Hickory Creek or private events held in conjunction with the rental of Arrowhead Park Pavilion or Sycamore Bend Park Pavilion.
6. Consider and act on ordinance of the Town of Hickory Creek, Texas amending the Town of Hickory Creek Code of Ordinance by adopting a right-of-way management ordinance; establishing regulations for construction, placement, and excavation in rights-of-way and public easements; amending the master fee schedule to adopt fees for the administration of the right-of-way management ordinance.
7. Consider and act on ordinance of the Town of Hickory Creek, Texas amending the Town of Hickory Creek Code of Ordinances, Chapter 1: General Provisions, Article 1.09, Records Management, by adding Section 1.09.019, "Time limits for responding to certain requests" establishing monthly and annual time limits on time spent by town personnel on responding to requests for public information.
8. Consider and act on a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an agreement for information technology services by and between the Town of Hickory Creek and MiTech Services, L.L.C.
9. Consider and act on the acceptance of renewal rates from BlueCross BlueShield for town employee medical coverage for Fiscal Year 2017-2018.
10. Consider and act on acceptance of rates from Dearborn National for town employee life, short term disability and long term disability coverage for Fiscal Year 2017-2018.
11. Consider and act on accepting the rates from Principal Financial Group for town employee dental coverage for Fiscal Year 2017-2018.
12. Consider and act on acceptance of rates from EyeMed for town employee vision coverage for Fiscal Year 2017-2018.
13. Discussion regarding current road and sidewalk projects.

E. Executive Session: The Town Council will convene into executive session pursuant to Chapter 551 of the Texas Government Code Section 551.071, Consultation with City Attorney and other legal counsel on matters in which the duty of the attorney(s) to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, or on matters pertaining to pending or contemplated litigation.

1. Discussion regarding certain real property legally described as A1163A J.W. Simmons, TR 37, 19.795 Acres located (South of Swisher Road, East of Ronald Reagan Avenue, North of Turbeville Road and West of Point Vista Road.)

F. Reconvene into Open Session:

1. Discussion and possible action regarding matters discussed in executive session.

G. Adjournment:



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. A.1

Call to Order



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. A.2

Roll Call



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. A.3

Pledge of Allegiance to the U.S. and Texas Flags



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. A.4

Invocation



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. A.5

Items of Community Interest: Pursuant to Texas Government Code Section 551.0415 the town council may report on the following: expressions of thanks, congratulations, or condolence; an honorary or salutary recognition of an individual; a reminder about an upcoming event organized or sponsored by the governing body; and announcements involving an imminent threat to the public health and safety of people in the municipality or county that has arisen after the posting of the agenda.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. A.6

Public Comment: This item allows the public an opportunity to address the council. To comply with the provisions of the Open Meetings Act, the town council cannot discuss or take action on items brought before them not posted on the agenda. Please complete a request if you wish to address the town council. Comments will be limited to three minutes.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. B.1

Public Hearing: To hear public opinion regarding the voluntary annexation of a 38.9197 acre tract of land situated in the H.H. Swisher Survey, Abstract 1120, and the M.E.P. & P.R.R. Company Survey, Abstract 915, Denton County Texas; Steeplechase North Addition.

**NOTICE OF A PUBLIC HEARING OF THE
TOWN COUNCIL OF THE
TOWN OF HICKORY CREEK, TEXAS**

Notice is hereby given that the Town of Hickory Creek Town Council will hold a public hearing on August 8, 2017 at 6:30 p.m. and on August 15, 2017 at 6:30 p.m. in the Council Chambers of the Town Hall Building located at 1075 Ronald Reagan Avenue, Hickory Creek, Texas to receive public input regarding the following:

The voluntary annexation of a 38.9197 acre tract of land situated in the H.H. Swisher Survey, Abstract 1120, and the M.E.P. & P.R.R. Company Survey, Abstract 915, Denton County Texas; Steeplechase North Addition described herein.

COMMENCING AT A 5/8" IRON ROD FOUND IN THE EAST RIGHT OF WAY LINE OF PARK.RIDGE DRIVE (VARIABLE WIDTH RIGHT OF WAY) AT ITS INTERSECTION WITH THE NORTH LINE OF A TRACT OF SAID AS GOLD L.P., TRACT IV, FOR THE NORTHEAST CORNER OF A CALLED 0.1292 ACRE TRACT OF LAND CONVEYED TO THE CITY OF CORINTH, DENTON COUNTY, TEXAS FOR DEDICATION OF SAID PARK.RIDGE DRIVE AS RECORDED UNDER COUNTY CLERK FILE NO. 2011-64010 OF THE DEED RECORDS OF DENTON COUNTY, TEXAS;

THENCE SOUTH 07° 28' 56" EAST ALONG THE EAST RIGHT OF WAY LINE OF PARK RIDGE DRIVE OR A DISTANCE OF 18.71 TO A POINT FOR CORNER;

THENCE SOUTH 11° 48' 18" EAST AND CONTINUING ALONG THE EAST RIGHT OF WAY LINE OF SAID PARK.RIDGE DRIVE FOR A DISTANCE OF 11.58 FEET TO A 5/8" IRON ROD SET FOR THE POINT OF BEGINNING FOR THIS DESCRIPTION;

THENCE NORTH 88° 34' 02" EAST AND DEPARTING THE EAST RIGHT OF WAY LINE OF SAID PARK.RIDGE DRIVE FOR A DISTANCE OF 1330.25 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT BEING THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 01° 14' 44" WITH A RADIUS OF 400.00 FEET AND A CHORD BEARING NORTH 89° 11' 24" EAST AT A DISTANCE OF 8.69 FEET;

THENCE EASTERLY ALONG SAID CURVE TO THE RIGHT FOR AN ARC DISTANCE OF 8.70 FEET TO A 5/8" IRON ROD SET FOR CORNER;

THENCE SOUTH 00° 00' 43" WEST ALONG THE SOUTH LINE OF SAID CTMGT TURBEVILLE, LLC, FOR A DISTANCE OF 1421.53 FEET TO A 5/8" IRON ROD SET FOR THE SOUTHEAST CORNER OF SAID CTMGT TURBEVILLE, LLC, TRACT IN TURBEVILLE ROAD (VARIABLE WIDTH RIGHT OF WAY);

THENCE SOUTH 89° 41' 33" WEST AND FOLLOWING ALONG THE SOUTH LINE OF SAID CTMGT TURBEVILLE, LLC, TRACT IN TURBEVILLE ROAD FOR A DISTANCE OF 7.14 FEET TO A 5/8" IRON ROD SET FOR CORNER;

THENCE NORTH 89° 20' 08" WEST AND CONTINUING ALONG THE SOUTH LINE OF SAID CTMGT TURBEVILLE, LLC, TRACT IN TURBEVILLE ROAD FOR A DISTANCE OF 1000.00 FEET TO A PK NAIL SET FOR CORNER IN THE AFORESAID EAST RIGHT OF WAY LINE OF PARK.RIDGE DRIVE;

THENCE NORTH 20° 51' 53" WEST AND FOLLOWING ALONG THE EAST RIGHT OF WAY LINE OF SAID PARKRIDGE DRIVE FOR A DISTANCE OF 115.23 FEET TO A 5/8" IRON ROD FOUND FOR CORNER;

THENCE NORTH 20° 41' 27" WEST AND CONTINUING ALONG THE EAST RIGHT OF WAY LINE OF SAID PARKRIDGE DRIVE FOR A DISTANCE OF 358.78 FEET TO A 5/8" IRON ROD FOUND FOR CORNER, SAID POINT BEING THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 750.00 FEET THROUGH A CENTRAL ANGLE OF 07° 51' 16" AND A CHORD BEARING NORTH 16° 45' 49" WEST AT A CHORD DISTANCE OF 102.73 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE TO THE RIGHT AND CONTINUING ALONG THE EAST RIGHT OF WAY LINE OF SAID PARK.RIDGE DRIVE FOR AN ARC DISTANCE OF 102.81 FEET TO A 5/8" IRON ROD FOUND FOR CORNER;

THENCE NORTH 12° 50' 11" WEST AND CONTINUING ALONG THE EAST RIGHT OF WAY LINE OF SAID PARK.RIDGE DRIVE AND FOR A DISTANCE OF 273.32 FEET TO A 5/8" IRON ROD FOUND FOR CORNER, SAID POINT BEING THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 700.00 FEET THROUGH A CENTRAL ANGLE OF 09° 17' 04" AND A CHORD BEARING NORTH 08° 11' 39" WEST AT A CHORD DISTANCE OF 113.31 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE TO THE RIGHT AND CONTINUING ALONG THE EAST RIGHT OF WAY LINE OF SAID PARK.RIDGE DRIVE FOR AN ARC DISTANCE OF 113.43 FEET TO A 5/8" IRON ROD FOUND FOR CORNER;

THENCE NORTH 03° 33' 07" WEST AND CONTINUING ALONG THE EAST RIGHT OF WAY LINE OF SAID PARKRIDGE DRIVE FOR A DISTANCE OF 208.48 FEET TO A 5/8" IRON ROD FOUND FOR CORNER, SAID POINT BEING THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 750.00 FEET THROUGH A CENTRAL ANGLE OF 08° 15' 11" AND A CHORD BEARING NORTH 07° 40' 43" WEST AT A CHORD DISTANCE OF 107.94 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE TO THE RIGHT AND CONTINUING ALONG THE EAST RIGHT OF WAY LINE OF SAID PARK.RIDGE DRIVE FOR AN ARC DISTANCE OF 108.03 FEET TO A 5/8" IRON ROD FOUND FOR CORNER;

THENCE NORTH 11° 48' 18" WEST AND CONTINUING ALONG THE EAST RIGHT OF WAY LINE OF SAID PARK.RIDGE DRIVE FOR A DISTANCE OF 144.27 FEET TO THE POINT OF BEGINNING AND CONTAINING 38.9197 ACRES OF LAND, MORE OR LESS.

All interested parties are invited to attend and participate. A map of the location of the property is available at Town Hall.

By order of the Town Council of the Town of Hickory Creek, Texas.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. C.1

July 2017 Council Meeting Minutes

**STATE OF TEXAS
COUNTY OF DENTON
TOWN OF HICKORY CREEK**

The town council of the Town of Hickory Creek, Texas convened in a special session on July 25, 2017 at 6:30 p.m. in the council chambers, located at 1075 Ronald Reagan Avenue. Notice of the meeting was posted as required by Title 5, Chapter 551 of the Texas Government Code. The following members were present and constituted a quorum of members:

Lynn Clark, Mayor
Tracee Elrod, Councilmember Place 1
Richard DuPree, Councilmember Place 2
Chris Gordon, Councilmember Place 3
Ian Theodore, Councilmember Place 5

Absent: Paul Kenney, Mayor Pro Tem

Also in attendance were:

John M. Smith, Jr., Town Administrator
Kristi K. Rogers, Town Secretary
Lance Vanzant, Town Attorney

Mayor Clark called the meeting to order at 6:30 p.m.

Mayor Clark led the Pledge of Allegiance to the U.S. and Texas Flags.

Councilmember Theodore gave the invocation.

Items of Community Interest

The Parks and Recreation Board will host a Halloween event in Sycamore Bend Park on October 21, 2017. The event is family friendly and activities for all ages are planned.

A fundraiser benefiting the Hickory Creek Animal Shelter will be held in the Fall.

Public Comment

There were no speakers for public comment.

Item B - Public Hearing

No public hearing.

Item C – Consent Agenda Items

1. June 2017 Council Meeting Minutes
2. June 2017 Financial Statements

Motion: made by Councilmember Gordon to approve consent agenda Items C1 and C2 as presented. Motion seconded by Councilmember Elrod.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

Item D – Regular Agenda Items

D (1) - Consider and act on a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to accept a voluntary petition for annexation of the Steeplechase North Addition.

Randy Gibbons, 208 Derby Lane, stated he circulated a voluntary annexation petition obtaining eighty-eight signatures of the qualified voters residing in the neighborhood in favor of annexation.

Motion: made by Councilmember Gordon to approve a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to accept a voluntary petition for annexation of the Steeplechase North Addition. Motion seconded by Councilmember Theodore.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

D (2) - Consider and act on a resolution setting a date, time and place for public hearings on the proposed annexation of certain property by the Town of Hickory Creek, Texas and authorizing and directing the Mayor to publish notice of said public hearings.

Motion: made by Councilmember Elrod to approve a resolution setting August 8, 2017 at 6:30 p.m. and August 15, 2017 at 6:30 p.m. as the dates for public hearings on the proposed annexation of certain property by the Town of Hickory Creek, Texas. Motion seconded by Councilmember Theodore.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

D (3) - Consider and act on a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an agreement for municipal solid waste collection and transportation by and between the Town of Hickory Creek and Waste Management of Texas, Inc.

Motion: made by Councilmember Gordon to approve a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an agreement for municipal solid waste collection and transportation by and between the Town of Hickory Creek and Waste Management of Texas, Inc. Motion seconded by Councilmember DuPree.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

D (4) - Consider and act on a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an agreement for collection of soft recyclables by and between the Town of Hickory Creek and Great Lakes Recycling, DBA Simple Recycling.

Motion: made by Councilmember Theodore to deny a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an agreement for collection of soft recyclables by and between the Town of Hickory Creek and Great Lakes Recycling, DBA Simple Recycling authorizing the town administrator to convey terms desired. Motion seconded by Councilmember DuPree.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

D (5) - Consider and act on a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an interlocal agreement for municipal purposes between the Town of Hickory Creek and Regional VIII Education Service Center.

Motion: made by Councilmember Elrod to approve a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an interlocal agreement for municipal purposes between the Town of Hickory Creek and Regional VIII Education Service Center. Motion seconded by Councilmember Theodore.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

D (6) - Consider and act on an ordinance of the Town Council of Hickory Creek, Texas, amending the Town's Code of Ordinances, Chapter 8: Offenses and Nuisances; Article 8.09, Restrictions on Sex Offenders by amending Section 8.09.02 Sex Offender Residency Prohibition.

Motion: made by Councilmember Gordon to approve ordinance 2017-07-768 as presented. Motion seconded by Councilmember Elrod.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

D (7) - Consider and act on a resolution by the Town of Hickory Creek, Texas denying the application to increase rates submitted by Oncor Electric Delivery Company, LLC on or about March 17, 2017.

Motion: made by Councilmember Theodore to approve a resolution by the Town of Hickory Creek, Texas denying the application to increase rates submitted by Oncor Electric Delivery Company, LLC on or about March 17, 2017. Motion seconded by Councilmember Gordon.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

D (8) - Consider and act on a resolution for the appointment of one member to the board of managers of the Denco Area 9-1-1 District.

Motion: made by Councilmember Gordon to approve a resolution appointing Sue Tejml to the Board of Managers of the Denco Area 9-1-1 District. Motion seconded by Councilmember DuPree.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

D (9) - Consider and act on a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an agreement for professional services by and between the Town of Hickory Creek and Half Associates, Inc.

Motion: made by Councilmember Gordon to approve a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an agreement for professional services by and between the Town of Hickory Creek and Half Associates, Inc. Motion seconded by Councilmember Theodore.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

D (10) - Discussion regarding current road and sidewalk projects.

John Smith, town administrator, provided an overview to council regarding current road and sidewalk projects.

Item E - Executive Session: The Town Council will convene into executive session pursuant to Chapter 551 of the Texas Government Code Section 551.071, Consultation with City Attorney and other legal counsel on matters in which the duty of the attorney(s) to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, or on matters pertaining to pending or contemplated litigation.

No executive session.

Item F - Reconvene into Open Session:

No executive session.

Item G – Adjournment

Motion: made by Councilmember Elrod to adjourn the meeting. Motion seconded by Councilmember Theodore.

Ayes: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Nays: None

MOTION PASSED UNANIMOUSLY

The meeting did then stand adjourned at 7:25 p.m.

Approved:

Attest:

Lynn C. Clark, Mayor
Town of Hickory Creek

Kristi K. Rogers, Town Secretary
Town of Hickory Creek



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. C.2

July 2017 Financial Statements

Town of Hickory Creek
Balance Sheet
As of July 31, 2017

	<u>Jul 31, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
BOA - Animal Shelter Fund	17,453.54
BOA - Building Security	11,861.16
BOA - Court Technology	178.93
BOA - Drug Forfeiture	9,108.87
BOA - Drug Seizure	592.05
BOA - General Fund	23,109.67
BOA - Parks and Recreation	87,350.54
BOA - Payroll	250.00
BOA - Police State Training	5,175.37
Logic Animal Shelter Facility	9,045.70
Logic Harbor Ln-Sycamore Bend	325,806.70
Logic HC PID No.1 Road	23,003.11
Logic HC PID No.1 Safety	93,414.78
Logic Hickory Creek PID No. 1	401,283.47
Logic Hickory Creek PID No. 2	71,807.64
Logic Investment Fund	3,237,919.27
Logic Street & Road Improvement	2,131,064.83
Logic Turbeville Road	202,918.14
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Total Checking/Savings	6,651,343.77
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Total Current Assets	6,651,343.77
Other Assets	
Harbor Lane/Sycamore Bend Road	-358,750.00
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Total Other Assets	-358,750.00
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TOTAL ASSETS	6,292,593.77
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LIABILITIES & EQUITY	0.00

Town of Hickory Creek
Profit & Loss
July 2017

	<u>Jul 17</u>
Ordinary Income/Expense	
Income	
Ad Valorem Tax Revenue	
4002 M&O	3,939.70
4004 M&O Penalties & Interest	526.03
4006 Delinquent M&O	1,156.04
4008 I&S Debt Service	3,784.18
4010 I&S Penalties & Interest	466.12
4012 Delinquent I&S	924.27
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Total Ad Valorem Tax Revenue	10,796.34
Building Department Revenue	
4102 Building Permits	19,118.56
4106 Contractor Registration	1,500.00
4124 Sign Permits	65.00
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Total Building Department Revenue	20,683.56
Franchise Fee Revenue	
4208 CoServ	763.85
4212 Waste Management	6,725.31
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Total Franchise Fee Revenue	7,489.16
Interest Revenue	
4302 Animal Shelter Interest	9.83
4304 Building Security Interest	0.20
4308 Drug Forfeiture Interest	0.15
4310 Drug Seizure Interest	0.01
4314 Logic Investment Interest	3,670.67
4320 Logic Street/Road Improv.	2,243.27
4322 Logic Turbeville Road	213.59
4326 PD State Training Interest	0.09
4328 Logic Harbor/Sycamore Bend	342.98
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Total Interest Revenue	6,480.79
Interlocal Revenue	
4402 Corp Contract Current Year	7,048.08
	<hr/>
Total Interlocal Revenue	7,048.08
Miscellaneous Revenue	
4502 Animal Adoption & Impound	615.00
4508 Annual Park Passes	1,318.30
4510 Arrowhead Park Fees	3,073.00
4526 Mineral Rights	40.29
4530 Other Receivables	225.50
4536 Point Vista Park Fees	1,275.00
4550 Sycamore Bend Fees	2,784.00
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Total Miscellaneous Revenue	9,331.09
Municipal Court Revenue	
4602 Building Security Fee	1,061.88

Town of Hickory Creek
Profit & Loss
July 2017

	<u>Jul 17</u>
4604 Citations	65,498.65
4606 Court Technology	1,286.68
4612 State Court Costs	<u>25,864.77</u>
Total Municipal Court Revenue	93,711.98
Sales Tax Revenue	
4702 Sales Tax General Fund	79,623.64
4704 Sales Tax Road Maintenance	15,924.73
4706 Sales Tax 4B Corporation	<u>31,849.46</u>
Total Sales Tax Revenue	<u>127,397.83</u>
Total Income	<u>282,938.83</u>
Gross Profit	282,938.83
Expense	
Capital Outlay	
5010 Street Maintenance	2,724.95
5012 Streets & Road Improvement	20,432.44
5020 Main Street Reconstruction	<u>1,132.45</u>
Total Capital Outlay	24,289.84
Debt Service	
5110 2015 Refunding Bond Series	248,350.00
5112 2015 C.O. Series	<u>209,800.00</u>
Total Debt Service	458,150.00
General Government	
5202 Bank Service Charges	25.00
5206 Computer Hardware/Software	125.27
5208 Copier Rental	523.36
5210 Dues & Memberships	300.00
5212 EDC Tax Payment	31,849.46
5216 Volunteer/Staff Events	64.28
5222 Office Supplies & Equip.	4.62
5224 Postage	834.86
5226 Community Cause	104.64
5228 Town Council/Board Expense	109.90
5234 Staff Uniforms	<u>-17.83</u>
Total General Government	33,923.56
Municipal Court	
5304 Building Security	0.00
5312 Court Technology	25.00
5314 Dues & Memberships	205.94
5318 Merchant Fees/Credit Cards	-59.55
5322 Office Supplies/Equipment	116.61
5326 Training & Education	100.00
5332 Warrants Collected	<u>897.12</u>
Total Municipal Court	1,285.12

Town of Hickory Creek
Profit & Loss
July 2017

	<u>Jul 17</u>
Parks and Recreation	
5408 Tanglewood Park	152.97
Total Parks and Recreation	152.97
Parks Corps of Engineer	
5432 Arrowhead	1,328.16
5434 Harbor Grove	30.44
5436 Point Vista	365.89
5438 Sycamore Bend	1,224.15
Total Parks Corps of Engineer	2,948.64
Personnel	
5502 Administration Wages	18,733.71
5504 Municipal Court Wages	5,303.89
5506 Police Wages	46,480.04
5507 Police Overtime Wages	301.99
5508 Public Works Wages	11,939.77
5509 Public Works Overtime Wage	179.53
5510 Health Insurance	139.44
5514 Payroll Expense	1,300.25
5516 Employment Exams	63.00
5518 Retirement (TMRS)	33,077.74
Total Personnel	117,519.36
Police Department	
5602 Auto Gas & Oil	2,371.31
5606 Auto Maintenance & Repair	2,071.05
5612 Computer Hardware/Software	663.97
5614 Crime Lab Analysis	257.00
5616 Drug Forfeiture	-6,029.00
5618 Dues & Memberships	210.00
5626 Office Supplies/Equipment	256.33
5630 Personnel Equipment	129.39
5634 Travel Expense	821.10
5636 Uniforms	238.96
5640 Training & Education	653.00
5646 Community Outreach	78.54
Total Police Department	1,721.65
Public Works Department	
5708 Animal Control Vet Fees	330.37
5710 Auto Gas & Oil	893.14
5714 Auto Maintenance/Repair	109.01
5716 Beautification	43,766.66
5724 Equipment Maintenance	500.37
5728 Equipment Supplies	309.96
5734 Radios	337.82
5742 Uniforms	432.51
Total Public Works Department	46,679.84

Town of Hickory Creek
Profit & Loss
July 2017

	<u>Jul 17</u>
Services	
5812 Document Management	71.22
5814 Engineering	16,487.05
5820 Fire Service	153,408.22
5822 Legal Notices/Advertising	130.40
5824 Library Services	25.00
5828 Printing	26.99
5832 Computer Technical Support	2,875.00
Total Services	<u>173,023.88</u>
Special Events	
6008 Tree Lighting	162.78
Total Special Events	<u>162.78</u>
Utilities & Maintenance	
5902 Bldg Maintenance/Supplies	3,351.37
5904 Electric	2,118.92
5908 Street Lighting	2,678.80
5910 Telephone	67.97
5912 Water	1,506.84
Total Utilities & Maintenance	<u>9,723.90</u>
Total Expense	<u>869,581.54</u>
Net Ordinary Income	<u>-586,642.71</u>
Net Income	<u><u>-586,642.71</u></u>

Town of Hickory Creek
Budget vs. Actual Year to Date 83.30%
 October 2016 through July 2017

	Oct '16 - Jul 17	Budget	% of Budget
Ordinary Income/Expense			
Income			
Ad Valorem Tax Revenue			
4002 M&O	836,018.72	844,833.00	99.0%
4004 M&O Penalties & Interest	5,165.54	4,300.00	120.1%
4006 Delinquent M&O	2,853.87	2,000.00	142.7%
4008 I&S Debt Service	802,695.00	811,482.00	98.9%
4010 I&S Penalties & Interest	4,429.03	3,700.00	119.7%
4012 Delinquent I&S	2,694.53	3,300.00	81.7%
Total Ad Valorem Tax Revenue	1,653,856.69	1,669,615.00	99.1%
Building Department Revenue			
4102 Building Permits	358,022.20	266,200.00	134.5%
4104 Certificate of Occupancy	500.00	800.00	62.5%
4106 Contractor Registration	16,050.00	5,000.00	321.0%
4108 Final Plat	3,222.76	3,223.00	100.0%
4110 Final Site Plan	500.00	0.00	100.0%
4112 Health Inspections	5,520.00	10,120.00	54.5%
4116 Overweight Vehicles	0.00	0.00	0.0%
4118 Preliminary Plat	0.00	0.00	0.0%
4120 Preliminary Site Plan	0.00	0.00	0.0%
4122 Septic Permits	850.00	2,125.00	40.0%
4124 Sign Permits	1,920.00	500.00	384.0%
4126 Special Use Permit	0.00	200.00	0.0%
4128 Variance Fee	250.00	500.00	50.0%
4130 Vendor Fee	875.00	600.00	145.8%
4132 Alarm Permit Fees	600.00	1,800.00	33.3%
Total Building Department Revenue	388,309.96	291,068.00	133.4%
Franchise Fee Revenue			
4202 Atmos Energy	28,774.64	25,100.00	114.6%
4204 Charter Communications	28,241.62	34,500.00	81.9%
4206 CenturyLink	3,192.15	5,200.00	61.4%
4208 CoServ	4,012.46	4,200.00	95.5%
4210 Oncor Electric	129,366.95	127,997.00	101.1%
4212 Waste Management	34,524.75	32,000.00	107.9%
Total Franchise Fee Revenue	228,112.57	228,997.00	99.6%
Interest Revenue			
4302 Animal Shelter Interest	77.88	45.00	173.1%
4304 Building Security Interest	1.95	2.00	97.5%
4306 Court Technology Interest	0.00	0.00	0.0%
4308 Drug Forfeiture Interest	1.55	2.00	77.5%
4310 Drug Seizure Interest	0.05	1.00	5.0%
4312 General Fund Interest	0.00	0.00	0.0%
4314 Logic Investment Interest	28,886.61	18,000.00	160.5%
4320 Logic Street/Road Improv.	18,812.68	12,000.00	156.8%
4322 Logic Turbeville Road	1,681.74	1,800.00	93.4%
4324 Parks & Recreation	0.00	0.00	0.0%
4326 PD State Training Interest	0.77	1.00	77.0%
4328 Logic Harbor/Sycamore Bend	2,700.26	1,600.00	168.8%
Total Interest Revenue	52,163.49	33,451.00	155.9%
Interlocal Revenue			
4402 Corp Contract Current Year	15,180.48	34,000.00	44.6%
Total Interlocal Revenue	15,180.48	34,000.00	44.6%

Town of Hickory Creek
Budget vs. Actual Year to Date 83.30%
 October 2016 through July 2017

	Oct '16 - Jul 17	Budget	% of Budget
Miscellaneous Revenue			
4502 Animal Adoption & Impound	6,600.00	7,000.00	94.3%
4506 Animal Shelter Donations	1,452.20	2,000.00	72.6%
4508 Annual Park Passes	18,010.27	20,000.00	90.1%
4510 Arrowhead Park Fees	10,319.00	30,000.00	34.4%
4512 Beer & Wine Permit	0.00	60.00	0.0%
4514 Cobra Premiums	0.00	0.00	0.0%
4516 Corp Parks Prior Year Rev	0.00	24,520.00	0.0%
4518 Drug Forfeiture	0.00	0.00	0.0%
4520 Drug Seizure	592.00	0.00	100.0%
4522 EDCPayment/Ronald Reagan	0.00	45,778.00	0.0%
4524 Fund Balance Reserve	0.00	0.00	0.0%
4526 Mineral Rights	378.55	450.00	84.1%
4528 NSF Fees	50.00	100.00	50.0%
4530 Other Receivables	107,141.56	14,000.00	765.3%
4534 PD State Training	1,328.87	1,328.87	100.0%
4536 Point Vista Park Fees	4,766.00	5,000.00	95.3%
4546 Street Bond Proceeds	0.00	509,416.00	0.0%
4550 Sycamore Bend Fees	16,273.00	10,000.00	162.7%
4554 Building Security Fund Res	0.00	0.00	0.0%
4556 Court Tech Fund Reserve	0.00	13,535.00	0.0%
4558 Harbor Lane/Sycamore Bend	0.00	0.00	0.0%
Total Miscellaneous Revenue	166,911.45	683,187.87	24.4%
Municipal Court Revenue			
4602 Building Security Fee	9,960.80	10,285.00	96.8%
4604 Citations	644,664.44	550,000.00	117.2%
4606 Court Technology	13,151.91	13,640.00	96.4%
4612 State Court Costs	243,428.35	242,000.00	100.6%
Total Municipal Court Revenue	911,205.50	815,925.00	111.7%
Sales Tax Revenue			
4702 Sales Tax General Fund	768,021.54	903,125.00	85.0%
4704 Sales Tax Road Maintenance	153,604.31	180,625.00	85.0%
4706 Sales Tax 4B Corporation	307,208.62	361,250.00	85.0%
4708 Sales Tax Mixed Beverage	14.58	350.00	4.2%
Total Sales Tax Revenue	1,228,849.05	1,445,350.00	85.0%
Total Income	4,644,589.19	5,201,593.87	89.3%
Gross Profit	4,644,589.19	5,201,593.87	89.3%
Expense			
Capital Outlay			
5010 Street Maintenance	41,034.39	180,625.00	22.7%
5012 Streets & Road Improvement	1,452,749.16	509,416.00	285.2%
5020 Main Street Reconstruction	-402,426.57	0.00	100.0%
Total Capital Outlay	1,091,356.98	690,041.00	158.2%
Debt Service			
5106 2012 Refunding Bond Series	12,742.50	150,236.00	8.5%
5108 2012 Tax Note Series	2,988.50	120,728.00	2.5%
5110 2015 Refunding Bond Series	311,825.00	311,700.00	100.0%
5112 2015 C.O. Series	274,725.00	274,600.00	100.0%
Total Debt Service	602,281.00	857,264.00	70.3%
General Government			

Town of Hickory Creek
Budget vs. Actual Year to Date 83.30%
October 2016 through July 2017

	Oct '16 - Jul 17	Budget	% of Budget
5202 Bank Service Charges	394.00	500.00	78.8%
5204 Books & Subscriptions	167.50	300.00	55.8%
5206 Computer Hardware/Software	11,376.07	15,000.00	75.8%
5208 Copier Rental	3,790.02	3,500.00	108.3%
5210 Dues & Memberships	1,826.94	2,000.00	91.3%
5212 EDC Tax Payment	307,208.63	361,250.00	85.0%
5214 Election Expenses	0.00	0.00	0.0%
5216 Volunteer/Staff Events	6,097.06	8,500.00	71.7%
5218 General Communications	10,826.98	15,500.00	69.9%
5222 Office Supplies & Equip.	1,919.54	2,000.00	96.0%
5224 Postage	5,040.24	6,000.00	84.0%
5226 Community Cause	3,159.86	4,000.00	79.0%
5228 Town Council/Board Expense	2,826.28	5,000.00	56.5%
5230 Training & Education	930.00	2,000.00	46.5%
5232 Travel Expense	1,164.63	1,500.00	77.6%
5234 Staff Uniforms	856.48	1,000.00	85.6%
Total General Government	357,584.23	428,050.00	83.5%
Municipal Court			
5302 Books & Subscriptions	36.00	100.00	36.0%
5304 Building Security	1,743.09	10,285.00	16.9%
5312 Court Technology	20,573.31	27,175.00	75.7%
5314 Dues & Memberships	245.94	200.00	123.0%
5318 Merchant Fees/Credit Cards	-8,273.36	0.00	100.0%
5322 Office Supplies/Equipment	1,317.94	1,500.00	87.9%
5324 State Court Costs	190,097.10	242,000.00	78.6%
5326 Training & Education	250.00	550.00	45.5%
5328 Travel Expense	293.50	1,400.00	21.0%
5330 Warrant Roundup	1,039.13	1,500.00	69.3%
5332 Warrants Collected	-8,825.99	0.00	100.0%
Total Municipal Court	198,496.66	284,710.00	69.7%
Parks and Recreation			
5402 Events	3,999.54	4,000.00	100.0%
5404 Marketing	0.00	500.00	0.0%
5406 Professional Dues	0.00	400.00	0.0%
5408 Tanglewood Park	45,094.11	48,000.00	93.9%
5410 Travel and Training	0.00	1,000.00	0.0%
5412 KHCB	100.00	1,000.00	10.0%
5414 Tree City USA	934.41	1,000.00	93.4%
5416 Town Hall Park	6,014.25	8,000.00	75.2%
Total Parks and Recreation	56,142.31	63,900.00	87.9%
Parks Corps of Engineer			
5432 Arrowhead	6,860.27	12,000.00	57.2%
5434 Harbor Grove	776.60	4,000.00	19.4%
5436 Point Vista	4,040.57	12,000.00	33.7%
5438 Sycamore Bend	9,473.13	42,000.00	22.6%
5440 Public Works Services	0.00	25,000.00	0.0%
Total Parks Corps of Engineer	21,150.57	95,000.00	22.3%
Personnel			
5502 Administration Wages	204,757.68	240,705.00	85.1%
5504 Municipal Court Wages	76,900.52	93,390.00	82.3%
5506 Police Wages	470,258.43	559,090.00	84.1%
5507 Police Overtime Wages	4,540.30	12,000.00	37.8%
5508 Public Works Wages	133,519.85	164,665.00	81.1%

Town of Hickory Creek
Budget vs. Actual Year to Date 83.30%
October 2016 through July 2017

	Oct '16 - Jul 17	Budget	% of Budget
5509 Public Works Overtime Wage	2,048.16	2,500.00	81.9%
5510 Health Insurance	135,245.00	186,150.00	72.7%
5512 Longevity	10,023.00	10,023.00	100.0%
5514 Payroll Expense	13,627.98	16,500.00	82.6%
5516 Employment Exams	911.00	1,500.00	60.7%
5518 Retirement (TMRS)	102,336.31	122,715.00	83.4%
5520 Unemployment (TWC)	243.44	2,000.00	12.2%
5522 Workman's Compensation	25,855.34	25,856.00	100.0%
Total Personnel	1,180,267.01	1,437,094.00	82.1%
Police Department			
5602 Auto Gas & Oil	21,580.65	20,780.00	103.9%
5604 Auto Lease	9,764.00	9,764.00	100.0%
5606 Auto Maintenance & Repair	19,726.01	20,000.00	98.6%
5608 Auto New Equipment	0.00	2,000.00	0.0%
5610 Books & Subscriptions	317.00	400.00	79.3%
5612 Computer Hardware/Software	24,560.05	35,100.00	70.0%
5614 Crime Lab Analysis	1,316.98	1,500.00	87.8%
5616 Drug Forfeiture	7,798.50	13,828.00	56.4%
5618 Dues & Memberships	445.00	400.00	111.3%
5626 Office Supplies/Equipment	2,622.71	2,000.00	131.1%
5628 PD State Training	0.00	1,328.87	0.0%
5630 Personnel Equipment	16,917.66	17,000.00	99.5%
5632 Radios	0.00	0.00	0.0%
5634 Travel Expense	2,181.46	1,000.00	218.1%
5636 Uniforms	2,626.94	3,000.00	87.6%
5640 Training & Education	1,932.00	3,000.00	64.4%
5642 Auto Purchase	0.00	0.00	0.0%
5644 Citizens on Patrol	388.60	600.00	64.8%
5646 Community Outreach	194.64	1,000.00	19.5%
Total Police Department	112,372.20	132,700.87	84.7%
Public Works Department			
5702 Animal Control Donation	0.00	2,000.00	0.0%
5704 Animal Control Equipment	0.00	600.00	0.0%
5706 Animal Control Supplies	778.69	1,000.00	77.9%
5708 Animal Control Vet Fees	4,140.32	5,000.00	82.8%
5710 Auto Gas & Oil	8,578.04	10,000.00	85.8%
5712 Auto Lease	0.00	0.00	0.0%
5714 Auto Maintenance/Repair	9,837.54	15,000.00	65.6%
5716 Beautification	44,031.25	60,105.00	73.3%
5718 Computer Hardware/Software	0.00	500.00	0.0%
5720 Dues & Memberships	335.00	350.00	95.7%
5722 Equipment	0.00	2,000.00	0.0%
5724 Equipment Maintenance	5,175.29	8,000.00	64.7%
5726 Equipment Rental	-267.79	500.00	-53.6%
5728 Equipment Supplies	5,218.05	6,500.00	80.3%
5732 Office Supplies/Equipment	827.45	1,000.00	82.7%
5734 Radios	3,215.53	3,000.00	107.2%
5738 Training	989.00	1,200.00	82.4%
5740 Travel Expense	646.69	1,000.00	64.7%
5742 Uniforms	1,805.13	2,800.00	64.5%
5748 Landscaping Services	27,222.12	27,223.00	100.0%
Total Public Works Department	112,532.31	147,778.00	76.1%
Services			
5802 Appraisal District	7,713.69	10,500.00	73.5%

Town of Hickory Creek
Budget vs. Actual Year to Date 83.30%
 October 2016 through July 2017

	Oct '16 - Jul 17	Budget	% of Budget
5804 Attorney Fees	44,561.42	50,000.00	89.1%
5806 Audit	12,000.00	12,000.00	100.0%
5808 Codification	2,655.00	1,000.00	265.5%
5812 Document Management	846.53	1,000.00	84.7%
5814 Engineering	54,767.77	40,000.00	136.9%
5816 General Insurance	32,629.10	32,630.00	100.0%
5818 Inspections	45,458.00	50,000.00	90.9%
5820 Fire Service	599,401.00	611,405.00	98.0%
5822 Legal Notices/Advertising	667.80	2,500.00	26.7%
5824 Library Services	465.00	500.00	93.0%
5826 Municipal Judge	8,100.00	10,800.00	75.0%
5828 Printing	984.67	1,600.00	61.5%
5830 Tax Collection	1,555.92	1,600.00	97.2%
5832 Computer Technical Support	26,999.26	27,000.00	100.0%
5838 DCCAC	197.96	4,153.00	4.8%
5840 Denton County Dispatch	0.00	28,427.00	0.0%
5844 Helping Hands	0.00	300.00	0.0%
5846 Span Transit Services	0.00	5,000.00	0.0%
Total Services	839,003.12	890,415.00	94.2%
Special Events			
6004 Fourth of July Celebration	4,000.00	4,000.00	100.0%
6008 Tree Lighting	3,527.88	3,366.00	104.8%
Total Special Events	7,527.88	7,366.00	102.2%
Utilities & Maintenance			
5902 Bldg Maintenance/Supplies	73,326.84	80,000.00	91.7%
5904 Electric	27,029.84	28,000.00	96.5%
5906 Gas	1,098.17	1,500.00	73.2%
5908 Street Lighting	27,305.13	29,000.00	94.2%
5910 Telephone	14,620.96	21,575.00	67.8%
5912 Water	8,836.48	7,200.00	122.7%
Total Utilities & Maintenance	152,217.42	167,275.00	91.0%
Total Expense	4,730,931.69	5,201,593.87	91.0%
Net Ordinary Income	-86,342.50	0.00	100.0%
Net Income	-86,342.50	0.00	100.0%

9:26 AM
 08/10/17
 Accrual Basis

Town of Hickory Creek
Expenditures over \$1,000.00
 July 2017

Type	Date	Num	Name	Amount
Ordinary Income/Expense				
Expense				
Capital Outlay				
5010 Street Maintenance				
Bill	07/17/2017	Invoi...	B & G Chemical	1,880.00
Total 5010 Street Maintenance				1,880.00
5012 Streets & Road Improvement				
Bill	07/17/2017	Invoi...	Half Associates, Inc.	1,565.39
Bill	07/27/2017	Invoi...	Half Associates, Inc.	18,598.36
Total 5012 Streets & Road Improvement				20,163.75
5020 Main Street Reconstruction				
Bill	07/27/2017	Invoi...	Half Associates, Inc.	1,132.45
Total 5020 Main Street Reconstruction				1,132.45
Total Capital Outlay				23,176.20
Debt Service				
5110 2015 Refunding Bond Series				
Check	07/17/2017	3387	US Bank	248,350.00
Total 5110 2015 Refunding Bond Series				248,350.00
5112 2015 C.O. Series				
Check	07/17/2017	3386	US Bank	209,800.00
Total 5112 2015 C.O. Series				209,800.00
Total Debt Service				458,150.00
General Government				
5212 EDC Tax Payment				
Check	07/27/2017	3400	Hickory Creek Economic Development	31,849.46
Total 5212 EDC Tax Payment				31,849.46
Total General Government				31,849.46
Municipal Court				
5332 Warrants Collected				
Deposit	07/26/2017			-1,258.50
Bill	07/17/2017	OB...	OmniBase Services Texas, LP	1,379.14
Bill	07/17/2017	Invoi...	McCreary, Veselka, Bragg and Allen, P.C.	1,563.54
Bill	07/17/2017	Invoi...	McCreary, Veselka, Bragg and Allen, P.C.	4,829.48
Total 5332 Warrants Collected				6,513.66
Total Municipal Court				6,513.66
Police Department				
5602 Auto Gas & Oil				
Check	07/27/2017	Debit	WEX INC DESFLEET DEBI	2,371.31

9:26 AM
 08/10/17
 Accrual Basis

Town of Hickory Creek
Expenditures over \$1,000.00
 July 2017

Type	Date	Num	Name	Amount
	Total 5602 Auto Gas & Oil			2,371.31
Deposit	5616 Drug Forfeiture 07/24/2017		GOVERNOR FISCAL DESINV-PAYMTS	-6,029.00
	Total 5616 Drug Forfeiture			-6,029.00
	Total Police Department			-3,657.69
	Public Works Department			
Check	5716 Beautification 07/10/2017	3385	Blooming Colors Nursery & Landscaping	43,766.66
	Total 5716 Beautification			43,766.66
	Total Public Works Department			43,766.66
	Services			
Bill	5814 Engineering 07/17/2017	Invoi...	Half Associates, Inc.	4,188.16
Bill	07/27/2017	Invoi...	Half Associates, Inc.	5,733.74
Bill	07/27/2017	Invoi...	Half Associates, Inc.	6,551.37
	Total 5814 Engineering			16,473.27
Bill	5820 Fire Service 07/17/2017	Invoi...	City of Corinth	153,408.22
	Total 5820 Fire Service			153,408.22
Bill	5832 Computer Technical Support 07/17/2017	Invoi...	MiTech Services, LLC	1,950.00
	Total 5832 Computer Technical Support			1,950.00
	Total Services			171,831.49
	Utilities & Maintenance			
Bill	5904 Electric 07/17/2017	S17...	Hudson Energy Services, LLC	2,118.92
	Total 5904 Electric			2,118.92
Bill	5908 Street Lighting 07/17/2017	S17...	Hudson Energy Services, LLC	2,515.16
	Total 5908 Street Lighting			2,515.16
	Total Utilities & Maintenance			4,634.08
	Total Expense			736,263.86
	Net Ordinary Income			-736,263.86
	Net Income			-736,263.86



TOWN OF HICKORY CREEK
 ATTN KRISTI K ROGERS
 1075 RONALD REAGAN AVE
 HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276007

ACCOUNT NAME: ANIMAL SHELTER FACILITY

STATEMENT PERIOD: 07/01/2017 - 07/31/2017

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 1.2408%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 29 DAYS AND THE NET ASSET VALUE FOR 7/31/17 WAS 1.000141.

MONTHLY ACTIVITY DETAIL				
TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			9,036.17
07/31/2017	MONTHLY POSTING	9999888	9.53	9,045.70
	ENDING BALANCE			9,045.70

MONTHLY ACCOUNT SUMMARY	
BEGINNING BALANCE	9,036.17
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	9.53
ENDING BALANCE	9,045.70
AVERAGE BALANCE	9,036.17

ACTIVITY SUMMARY (YEAR-TO-DATE)			
ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
ANIMAL SHELTER FACILITY	0.00	0.00	55.97





TOWN OF HICKORY CREEK
ATTN KRISTI K ROGERS
1075 RONALD REAGAN AVE
HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276009

ACCOUNT NAME: HARBOR LANE - SYCAMORE BEND

STATEMENT PERIOD: 07/01/2017 - 07/31/2017

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 1.2408%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 29 DAYS AND THE NET ASSET VALUE FOR 7/31/17 WAS 1,000141.

MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			325,463.72
07/31/2017	MONTHLY POSTING	9999888	342.98	325,806.70
	ENDING BALANCE			325,806.70

MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	325,463.72
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	342.98
ENDING BALANCE	325,806.70
AVERAGE BALANCE	325,463.72

ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
HARBOR LANE - SYCAMORE BEND	0.00	0.00	2,013.84





TOWN OF HICKORY CREEK
ATTN KRISTI K ROGERS
1075 RONALD REAGAN AVE
HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276011

ACCOUNT NAME: PID NO 1 ROAD

STATEMENT PERIOD: 07/01/2017 - 07/31/2017

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 1.2408%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 29 DAYS AND THE NET ASSET VALUE FOR 7/31/17 WAS 1.000141.

MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			22,978.92
07/31/2017	MONTHLY POSTING	9999888	24.19	23,003.11
	ENDING BALANCE			23,003.11

MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	22,978.92
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	24.19
ENDING BALANCE	23,003.11
AVERAGE BALANCE	22,978.92

ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
PID NO 1 ROAD	14,322.88	0.00	112.07





TOWN OF HICKORY CREEK
 ATTN KRISTI K ROGERS
 1075 RONALD REAGAN AVE
 HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276012

ACCOUNT NAME: PID NO 1 SAFETY

STATEMENT PERIOD: 07/01/2017 - 07/31/2017

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 1.2408%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 29 DAYS AND THE NET ASSET VALUE FOR 7/31/17 WAS 1.000141.

MONTHLY ACTIVITY DETAIL				
TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			93,316.45
07/31/2017	MONTHLY POSTING	9999888	98.33	93,414.78
	ENDING BALANCE			93,414.78

MONTHLY ACCOUNT SUMMARY	
BEGINNING BALANCE	93,316.45
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	98.33
ENDING BALANCE	93,414.78
AVERAGE BALANCE	93,316.45

ACTIVITY SUMMARY (YEAR-TO-DATE)			
ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
PID NO 1 SAFETY	57,744.20	0.00	455.99

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT LOGIC PARTICIPANT SERVICES AT 1-800-895-6442





TOWN OF HICKORY CREEK
ATTN KRISTI K ROGERS
1075 RONALD REAGAN AVE
HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276008

ACCOUNT NAME: PID NO 1

STATEMENT PERIOD: 07/01/2017 - 07/31/2017

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 1.2408%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 29 DAYS AND THE NET ASSET VALUE FOR 7/31/17 WAS 1.000141.

MONTHLY ACTIVITY DETAIL				
TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			400,861.07
07/31/2017	MONTHLY POSTING	9999888	422.40	401,283.47
	ENDING BALANCE			401,283.47

MONTHLY ACCOUNT SUMMARY	
BEGINNING BALANCE	400,861.07
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	422.40
ENDING BALANCE	401,283.47
AVERAGE BALANCE	400,861.07

ACTIVITY SUMMARY (YEAR-TO-DATE)			
ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
PID NO 1	248,868.63	0.00	1,957.01

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT LOGIC PARTICIPANT SERVICES AT 1-800-895-6442





TOWN OF HICKORY CREEK
 ATTN KRISTI K ROGERS
 1075 RONALD REAGAN AVE
 HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276010

ACCOUNT NAME: PID NO 2

STATEMENT PERIOD: 07/01/2017 - 07/31/2017

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 1.2408%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 29 DAYS AND THE NET ASSET VALUE FOR 7/31/17 WAS 1.000141.

MONTHLY ACTIVITY DETAIL				
TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			71,732.05
07/31/2017	MONTHLY POSTING	9999888	75.59	71,807.64
	ENDING BALANCE			71,807.64

MONTHLY ACCOUNT SUMMARY	
BEGINNING BALANCE	71,732.05
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	75.59
ENDING BALANCE	71,807.64
AVERAGE BALANCE	71,732.05

ACTIVITY SUMMARY (YEAR-TO-DATE)			
ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
PID NO 2	51,383.42	0.00	335.78

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT LOGIC PARTICIPANT SERVICES AT 1-800-895-6442





TOWN OF HICKORY CREEK
 ATTN KRISTI K ROGERS
 1075 RONALD REAGAN AVE
 HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276001

ACCOUNT NAME: INVESTMENT FUND

STATEMENT PERIOD: 07/01/2017 - 07/31/2017

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 1.2408%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 29 DAYS AND THE NET ASSET VALUE FOR 7/31/17 WAS 1.000141.

MONTHLY ACTIVITY DETAIL				
TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			3,692,398.60
07/18/2017	ACH WITHDRAWAL	6083878	458,150.00 -	3,234,248.60
07/31/2017	MONTHLY POSTING	9999888	3,670.67	3,237,919.27
	ENDING BALANCE			3,237,919.27

MONTHLY ACCOUNT SUMMARY	
BEGINNING BALANCE	3,692,398.60
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	458,150.00
TOTAL INTEREST	3,670.67
ENDING BALANCE	3,237,919.27
AVERAGE BALANCE	3,485,492.15

ACTIVITY SUMMARY (YEAR-TO-DATE)			
ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
INVESTMENT FUND	1,015,515.73	830,469.13	21,790.18

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT LOGIC PARTICIPANT SERVICES AT 1-800-895-6442





TOWN OF HICKORY CREEK
 ATTN KRISTI K ROGERS
 1075 RONALD REAGAN AVE
 HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276005

ACCOUNT NAME: RESIDENTIAL STREET & RD IMPROV

STATEMENT PERIOD: 07/01/2017 - 07/31/2017

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 1.2408%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 29 DAYS AND THE NET ASSET VALUE FOR 7/31/17 WAS 1.000141.

MONTHLY ACTIVITY DETAIL				
TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			2,128,821.56
07/31/2017	MONTHLY POSTING	9999888	2,243.27	2,131,064.83
	ENDING BALANCE			2,131,064.83

MONTHLY ACCOUNT SUMMARY	
BEGINNING BALANCE	2,128,821.56
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	2,243.27
ENDING BALANCE	2,131,064.83
AVERAGE BALANCE	2,128,821.56

ACTIVITY SUMMARY (YEAR-TO-DATE)			
ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
RESIDENTIAL STREET & RD IMPROV	0.00	454,402.05	14,735.39

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT LOGIC PARTICIPANT SERVICES AT 1-800-895-6442





TOWN OF HICKORY CREEK
 ATTN KRISTI K ROGERS
 1075 RONALD REAGAN AVE
 HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276002

ACCOUNT NAME: TURBEVILLE RD IMPROVEMENT FUND

STATEMENT PERIOD: 07/01/2017 - 07/31/2017

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 1.2408%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 29 DAYS AND THE NET ASSET VALUE FOR 7/31/17 WAS 1.000141.

MONTHLY ACTIVITY DETAIL				
TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			202,704.55
07/31/2017	MONTHLY POSTING	9999888	213.59	202,918.14
	ENDING BALANCE			202,918.14

MONTHLY ACCOUNT SUMMARY	
BEGINNING BALANCE	202,704.55
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	213.59
ENDING BALANCE	202,918.14
AVERAGE BALANCE	202,704.55

ACTIVITY SUMMARY (YEAR-TO-DATE)			
ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
TURBEVILLE RD IMPROVEMENT FUND	0.00	0.00	1,254.23

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT LOGIC PARTICIPANT SERVICES AT 1-800-895-6442





Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. C.3

Consider and act on the 2017-2018 Hickory Creek Economic Development Corporation Budget.

**Hickory Creek Economic Development
Corporation
2017-2018
Budget Proposal**

	<u>2016-2017 Adopted Budget</u>	<u>2016-2017 Actual as of 5/31/2017</u>	<u>2017-2018 Proposed Budget</u>
Income			
3002 Sales Tax Collections	361,250.00	275,359.17	373,750.00
3004 Logic Interest	2,500.00	9,886.68	5,000.00
3006 Reserve Funds	417,975.00	0.00	404,525.00
3008 Mineral Royalties	100.00	50.88	100.00
Total Income	<u>781,825.00</u>	<u>285,296.73</u>	<u>783,375.00</u>
Expense			
Debt Service			
5002 Infrastructure Improvement	0.00	0.00	0.00
5004 Land Acquisitions	0.00	0.00	0.00
5006 Ronald Reagan Avenue	46,000.00	0.00	46,000.00
Total Debt Service	<u>46,000.00</u>	<u>0.00</u>	<u>46,000.00</u>
Expense			
4002 Administrative	6,300.00	3,150.00	6,300.00
4004 Attorney	5,000.00	1,047.75	5,000.00
4006 Audit	1,000.00	1,000.00	1,000.00
4008 Bank Service Charges	100.00	0.00	100.00
4010 Dues & Subscriptions	200.00	0.00	500.00
4012 Engineering	50,000.00	0.00	25,000.00
4014 Marketing	36,125.00	11,047.37	37,375.00
4016 Office Supplies/Equipment	1,500.00	400.00	1,500.00
4018 Park Improvements	75,000.00	0.00	125,000.00
4020 Postage	100.00	0.00	100.00
4022 Professional Service	2,000.00	2,200.00	2,000.00
4024 Public Notices/Advertising	500.00	0.00	500.00
4026 Staff	1,000.00	0.00	17-18 Deletion
4028 Training	1,000.00	0.00	2,000.00
4030 Travel Expense	2,000.00	0.00	2,000.00
4032 Infrastructure Improvement	500,000.00	0.00	500,000.00
4034 Land Holding Cost	4,000.00	1,820.00	4,000.00
4036 Land Acquisitions	0.00	0.00	0.00
4038 Incentives	50,000.00	0.00	25,000.00
Total Expense	<u>735,825.00</u>	<u>20,665.12</u>	<u>737,375.00</u>
Total Expense and Debt Service	<u>781,825.00</u>	<u>20,665.12</u>	<u>783,375.00</u>
Net Ordinary Income	<u>0.00</u>	<u>264,631.61</u>	<u>0.00</u>

**Hickory Creek Economic Development
Corporation
2017-2018
Budget Proposal**

FOR INFORMATION ONLY

Prior Years Excess Marketing

2003-2004	No Marketing
2004-2005	No Marketing
2005-2006	No Marketing
2006-2007	24,235.40
2007-2008	24,367.40
2008-2009	15,112.18
2009-2010	27,193.03
2010-2011	14,344.26
2011-2012	4,498.19
2012-2013	23,946.00
2013-2014	28,915.05
2014-2015	22,654.02
2015-2016	27,060.02
Total Excess Marketing	212,325.55

**2017-2018
Hickory Creek
Economic Development Budget Notes**

INCOME LINE ITEMS

3002 Income - \$373,750

The EDC collects ½ of 1% of all the sales tax collected in Hickory Creek. The town financial secretary is budgeting for a slight increase in sales tax for budget year 2016-2017. The EDC income on this line item represents 25% of the total sales tax, or \$361,250.

3004 Logic EDC Interest - \$5000

The EDC has the majority of its cash balance invested in an investment account with LOGIC.

3006 Reserve Funds - \$404,525

Any funds used from Reserve will be shown here if needed for a project to offset the budget expense. This is just an accounting entry of how much we would dip into our reserves if all projects were approved and completed in 2016-2017.

3008 Mineral Royalties - \$100

The EDC has begun receiving monthly royalty checks from the existing natural gas well that is currently producing and runs beneath our property on Ronald Reagan Ave.

REGULAR EXPENSE LINE ITEMS

4002 Administrative - \$6300

This line item is for all administrative costs, including building rental from the town.

4004 Attorney - \$5000

Attorney fees for projects.

4006 Audit - \$1000

Reimbursement to the Town for EDC portion of the annual audit. This amount is based on actual charges for the prior year audit.

4008 Bank Service Charges - \$100

Self explanatory

4010 Dues & Subscriptions - \$500

ICSC, publications

4012 Engineering - \$25,000

Includes payment for engineering associating with capital building projects. When needed, the engineers have been a costly expenditure. Many of the infrastructure projects that are necessary to spur development will have engineering cost associated with them.

4014 Marketing - \$37,375 (10% of income allowed per EDC law)

Items included, but not limited to, in this budget amount:

Newcomer's Edition Lake Cities Sun

Economic Development Directory ad

Lake Cities Sun ad

Retail Coach expenses

Retail Trade Area Maps

Trade show marketing materials

Chamber of Commerce ads

“Section 4B(b) limits Type B corporations to spending no more than 10 percent of the corporate revenues (4B tax proceeds) for promotional purposes. Yet, the attorney general has concluded a promotional expenditure “must advertise or publicize the city for the purpose of developing new and expanded business enterprises.” Further, a corporation is limited to spending not more than 10 percent of its current annual revenues for promotional purposes in any given year. Nonetheless, unexpended revenues specifically set aside for promotional purposes in past years may be expended along with 10 percent of current revenues without violating the cap.”

4016 Office Supplies/Equipment - \$1,500

This is for copying, etc.

4018 Park Improvements - \$125,000

Used for improvements requested by EDC or Parks & Rec. Possible project for 2016-2017 includes an equestrian trail at Sycamore Bend Park. This would help accomplish one of the Park Board's 5 Year Goals for park improvements.

4020 Postage - \$100

4022 Professional Service - \$2000

Web hosting & other professional services as needed

4024 Public Notices - \$500

Self Explanatory

4026 Staff – EDC Consultant - \$0 (This line item will be deleted in the 2017-2018 Budget)

This is the line item used to pay the EDC Consultant an hourly fee if needed.

4028 Training - \$2,000

All registration fees & costs associated with training seminars & conventions for EDC members

4030 Travel Expense - \$2,000

Travel expenses for Training for EDC members or designated representatives.

4032 Infrastructure Improvements - \$500,000

Budgeted for possible infrastructure needs. In 2016-2017, the EDC committed \$500,000 for the reconstruction of the Turbeville/Point Vista Road intersection. The funds were not spent in the 2016-2017 Budget, so the money is budgeted for the 2017-2018 budget year.

4034 Land Holding Cost - \$4000

Mowing & maintenance of EDC land

4036 Land Acquisitions - \$0

Budgeted for any land acquisitions needed

4038 Incentives - \$25,000

For business development

DEBT SERVICE LINE ITEMS

5002 Infrastructure Improvement - \$0

This line item will be used for any debt payments for infrastructure improvements.

5004 Land Acquisitions - \$0

This line item will be used for any debt payments related to future land acquisitions.

5006 Ronald Reagan Ave. - \$ \$46,000 (45,778.33)

The EDC has in the past verbally committed to paying \$800,000 of debt service for the 2004 Certificate of Obligation the Town issued for the construction of Ronald Reagan Avenue. The payment was originally calculated at \$71,242.52. However, the town refinanced the debt, and the new payment is \$45,778.33.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.1

Consider and act on a resolution approving the 2017-2018 annual update to the service and assessment plan and assessment roll for public improvements for the Hickory Creek Public Improvement District No. 1 in accordance with Chapter 372, Texas Local Government Code, as amended; making various findings and provisions related to the subject; and providing for an effective date.

TOWN OF HICKORY CREEK, TEXAS
RESOLUTION NO. 2017-0815-1

A RESOLUTION OF THE TOWN OF HICKORY CREEK APPROVING THE 2017-2018 ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR PUBLIC IMPROVEMENTS FOR THE HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1 IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Hickory Creek (the "Town") received a petition meeting the requirements of Section 372.005 of the Public Improvement District Assessment Act (the "Act") requesting the creation of a public improvement district over a portion of the area of the Town to be known as the Hickory Creek Public Improvement District No. 1 (the "PID"); and

WHEREAS, the petition contained the signatures of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the boundaries of the proposed PID, as determined by the then current ad valorem tax rolls of the Denton Central Appraisal District and the signatures of property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the Town; and

WHEREAS, on March 27, 2012, after due notice, the Town Council of the Town (the "Town 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 March 27, 2012, the Town Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution 2012-0327-1, adopted by a majority of the members of the Town Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of Resolution 2012-0327-1, the Town published notice of its authorization of the District in a newspaper of general circulation in the Town; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the Town Secretary within 20 days after the date of publication of such notice; and

WHEREAS, on April 3, 2012, the Town Council by Resolution No. 2012-0403-01 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 April 24, 2012, and directed Town staff to (i) file said proposed assessment roll with the Town 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 April 24, 2012 hearing; and

WHEREAS, the Town, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the Town 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 Town, 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 Town Council convened the public hearing on April 24, 2012, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Assessments; and

WHEREAS, at the April 24, 2012 public hearing referenced above, there were no written objections or evidence submitted to the Town Secretary in opposition to the Service and Assessment Plan, the allocation of Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the Town Council closed the public hearing and, after considering all written and documentary evidence presented at the public hearing, including all written comments and statements filed with the Town, at a meeting held on April 24, 2012, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; and

WHEREAS, pursuant to Section 371.013, the Service and Assessment Plan must cover a period of at least five years and must also define the annual indebtedness and projected costs for improvements and such Service and Assessment Plan must be reviewed and updated annually for the purpose of determining the annual budget for improvements; and

WHEREAS, the Town requires that an update to the Service and Assessment Plan and the Assessment Roll for the PID for 2017-2018 (the "Annual Service Plan Update") be prepared, setting forth the annual budget for improvements and the Annual Installment for assessed properties in the PID, and the Town now desires to approve such Annual Service Plan Update.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS, THAT:

Section 1. Findings. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes.

Section 2. Terms. Terms not otherwise defined herein are defined in the Town of Hickory Creek, Texas, Public Improvement District No. 1 Service and Assessment Plan Update attached hereto as **Exhibit A**.

Section 3. Approval of Update. The Annual Service Plan Update for the PID for 2017-2018 is hereby approved and accepted by the Town Council.

Section 4. Severability. If any provision, section, subsection, sentence, clause or phrase of this resolution, 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 resolution or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Town Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion here, and all provisions of this resolution are declared to be severable for that purpose.

Section 5. Effective Date. This resolution shall take effect from and after its final date of passage, and it is accordingly so ordered.

EXHIBIT A

Service and Assessment Plan

Town of Hickory Creek, Texas,
Public Improvement District No. 1
Service and Assessment Plan Update
August 15, 2017

SECTION 1
INTRODUCTION

1.1. On March 27, 2012, the Town Council of the Town of Hickory Creek, Texas (the "Town Council" and the "Town") passed and approved Resolution No. 2012-0327-1 creating Hickory Creek Public Improvement District No. 1 ("PID 1") pursuant to the Act. PID 1 includes within its boundaries approximately 38.9197 contiguous acres located at the northeast corner of the intersection of Park Ridge Road and Turbeville Road, which property is described in Resolution No. 2012-0327-1 and is the same property described by metes and bounds on **Exhibit A** and depicted by the drawing on **Exhibit A-1** (the "PID 1 Property"). The PID 1 Property consists of 151 Lots, of which 145 have completed homes and 6 have homes currently under construction.

1.2. The public improvement projects constructed for the benefit of PID 1 include various onsite and offsite roadway, water, sewer, erosion control, and storm drain improvements, as well as costs associated with issuing the PID 1 Bonds (the "Authorized Improvements").

1.3. The total cost of the Authorized Improvements is shown on **Exhibit B** to be \$4,190,720.07, which total cost was reviewed and verified by the Administrator (the "Authorized Improvement Cost").

1.4. The Act governs the process by which the Authorized Improvement Cost is allocated to and assessed against the PID 1 Property. This process requires the preparation of an ongoing service plan (a "Service Plan") as required by Section 372.013 of the Act, an assessment plan (an "Assessment Plan") as required by Section 372.014 of the Act, and an assessment roll (an "Assessment Roll") as required by Section 372.016 of the Act.

1.5. Section 372.013 of the Act requires the preparation, and the presentment to and review and approval by the Town Council, of a Service Plan covering a period of at least five years and defining the annual indebtedness and projected costs of the Authorized Improvements. The Service Plan must be reviewed and updated at least annually to determine the annual budget for the Authorized Improvements. The Service Plan is contained in Section 3.

1.6. Sections 372.014 of the Act require the Service Plan to include an Assessment Plan. The Assessment Plan assesses the Authorized Improvement Cost against the PID 1 Property on the basis of the special benefits conferred upon the property by the improvements. The Authorized Improvement Cost may be assessed in any manner that results in imposing equal shares of the cost on Parcels of PID 1 Property equally benefited; and the Town Council may establish reasonable classifications and formulas for the apportionment of the Authorized Improvement Cost between the Town and the PID 1 Property and methods of assessing special benefits for the Authorized Improvements. The special benefit of the Authorized Improvements is being apportioned to the PID 1 Property in the amount of the Authorized Improvement Cost. None of the Authorized Improvement Cost is being apportioned to the Town. The Assessment Plan is contained in Section 4.

1.7. Section 372.016 of the Act requires the preparation of an Assessment Roll after the total Authorized Improvement Cost has been determined. The Assessment Roll must state the assessment against each Parcel determined by the method of assessment chosen by the Town Council in the Assessment Plan. The assessment against a Parcel must be sufficient to pay the share of the Authorized Improvement Cost allocated to the Parcel and cannot exceed the special benefit conferred upon the Parcel. The Assessment Roll for PID 1 is described in Section 5 and attached as **Exhibit D**.

1.8. This Service and Assessment Plan amends and restates that particular Town of Hickory Creek, Texas Public Improvement District No.1 Service and Assessment Plan dated April 24, 2012 and approved by the Town Council on April 24, 2012 (the "Original SAP").

1.9. On April 24, 2012, after notice and a public hearing conducted in the manner required by law, the Town Council adopted Ordinance No. 2012-04-682 approving the Original SAP and Assessment Roll and the levy of assessments on property in the District.

SECTION 2
DEFINITIONS

Capitalized terms used in this PID 1 SAP shall have the meanings set forth in this Section. Unless otherwise defined, all references to "Section" shall mean a section of this PID 1 SAP, and all references to "Exhibit" shall mean an exhibit attached to and made a part of this PID 1 SAP.

"Act" means Texas Local Government Code Chapter 372, Public Improvement Assessment Act, Subchapter A, Public Improvement Districts, as amended.

"Administrator" means any person or entity designated by the Town to perform the obligations of the Administrator under this PID 1 SAP.

"Additional Interest" means the 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the Act.

"Administrative Expenses" mean the actual or budgeted costs and expenses related to the creation and operation of the PID, the issuance and sale of Bonds, and the construction of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accounts, financial advisors, and other consultants engaged by the Town; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service and Assessment Plan Updates; (5) issuing, paying, and redeeming PID 1 Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this SAP and the Act with respect to the issuance and sale of PID 1 Bonds, including continuing disclosure requirements; (8) the paying agent/registrar and Trustee in connection with PID 1 Bonds, including their respective legal counsel; and (9) administering the construction of the Authorized Improvements. Administrative Expenses collected but not expended in any year shall be carried forward and applied to reduce Administrative Expenses for subsequent years.

"Annual Installment" means the annual installment payments of an Assessment calculated by the Administrator and approved by the Town Council, including (1) principal; (2) interest; (3) Administrative Expenses; and (4) Additional Interest that funds the Delinquency and Prepayment Reserve Account.

"Assessment" means, for a Parcel, the portion of the Authorized Improvement Cost that is allocated to and assessed against the Parcel based on the special benefit conferred on the Parcel by the Authorized Improvements.

"Assessment Plan" is defined in Section 1.4, including amendments, modifications, and updates authorized by the Act.

"Assessment Roll" is defined in Section 1.4, including amendments, modifications, and updates authorized by the Act.

"Authorized Improvement Cost" are defined in Section 1.3.

"Authorized Improvements" are defined in Section 1.2.

"Bond Ordinance" means the ordinance, order, or document setting forth the terms and other provisions relating to the PID 1 Bonds, as modified, amended, and/or supplemented from time to time.

"Delinquency and Prepayment Reserve" is defined in Section 4.11.

"Delinquent Collection Costs" mean interest, penalties and expenses incurred or imposed with respect to any delinquent Annual Installments of an Assessment in accordance with §372.018(b) of the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorneys' fees.

"Developer" means CTMGT Turbeville, LLC, a Texas limited liability company, and its successors and assigns.

"Exempt Parcel" is defined in Section 4.8.

"Lot" means a Parcel that can be legally described by a "Block" and "Lot" number on a final subdivision plat recorded in the real property records of Denton County, Texas that contains or is planned to contain a single family home.

"Maximum Assessment" is defined in Section 4.6.

"Non-Benefited Property" means Parcels within the boundaries of PID 1 that accrue no special benefit from the Authorized Improvements, including Owner 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. **Exhibit F** identifies the location of Non-Benefited Property.

"Owner Association Property" means property within PID 1 that is owned by or dedicated to a property owners' association.

"Parcel" means a parcel or tract of land within PID 1 that is identified by (a) a tax map identification number assigned to the parcel or tract by the Denton Appraisal District for real property tax purposes, or (b) a lot and block number shown on a final subdivision plat recorded in the real property records of the Denton County, Texas.

"PID 1" is defined in Section 1.1.

"PID 1 Bonds" means those certain "Town of Hickory Creek, Texas Special Assessment Revenue Bonds, Series 2017 (Town of Hickory Creek Public Improvement District No. 1)" that are secured by the Assessments.

"PID 1 Property" is defined in Section 1.1.

"PID 1 SAP" means this Town of Hickory Creek Public Improvement District No. 1 Service and Assessment Plan, as amended and updated.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of

principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

“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 Town as a result of any Prepayment.

“Prior Owner” is defined in Section 4.8.

“Public Property” means property within the boundaries of PID 1 that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the Town, a school district, a public utility provider or any other political subdivision, whether in fee simple or through an exclusive use easement.

“Service Plan” is defined in Section 1.4, including amendments, modifications, and updates authorized by the Act.

“Service and Assessment Plan Update” is defined in Section 3.5.

“Town” is defined in Section 1.1.

“Town Council” is defined in Section 1.1.

“Trust Indenture” means the indenture or similar document setting forth the terms and other provisions relating to the issuance of PID 1 Bonds and the trust estate created by the issuance, as modified, amended, and/or supplemented from time to time.

SECTION 3 SERVICE PLAN

3.1 Introduction. This Section 3 constitutes the Service Plan for PID 1. This Service Plan is required by the Act to cover a period of at least five years and define the annual

indebtedness for the Authorized Improvements and the projected Authorized Improvement Cost.

3.2 Five Year Projection of Authorized Improvement Costs. The Authorized Improvements are fully constructed and paid for in full, as such the projection for the next five years of Authorized Improvement Cost is \$0.00, as shown on **Exhibit C**. The Authorized Improvement Cost will be reimbursed to Developer, solely from PID 1 Bonds.

3.3 Five Year Projection of PID 1 Outstanding Indebtedness. The outstanding indebtedness for the Authorized Improvements for the next five years is shown on **Exhibit C**. The outstanding indebtedness for PID 1 for any given year equals the principal amount of outstanding PID 1 Bonds.

3.4 Five Year Projection of PID 1 Annual Installments The estimated Annual Installments for the next five years is shown on **Exhibit C**.

3.5 Service and Assessment Plan Updates This Service Plan, together with the exhibits to this PID 1 SAP and the Assessment Roll, will be reviewed and updated in accordance with the Act as needed (but no less frequently than once each calendar year) and with the approval of the Town Council (each such update, a “Service and Assessment Plan Update”).

SECTION 4 ASSESSMENT PLAN

4.1 Method of Assessment. This Section 4 constitutes the Assessment Plan for PID 1. This Assessment Plan assesses the Authorized Improvement Cost against the PID 1 Property on the basis of the special benefits conferred upon the PID 1 Property by the Authorized Improvements. The Act provides that the Authorized Improvement Cost may be assessed: (1) equally per front foot or square foot; (2) according to the value of the property as determined by the Town Council with or without regard to improvements on the property; or (3) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The Act further provides that the Town Council may establish, by

ordinance or order, reasonable classifications and formulas for the apportionment of the cost between the Town and the area to be assessed and methods of assessing the special benefits for various classes of improvements.

4.2 Allocation of Authorized Improvement Cost. The Town Council has determined that based on the special benefit conferred on the PID 1 Property by the Authorized Improvements, none of the Authorized Improvement Cost shall be apportioned to the Town or Non-Benefitted Property. The Town Council has further determined: (1) that the Authorized Improvements will confer a special benefit on all Lots within PID 1; (2) that each of the Lots within PID 1 will be equally benefitted by the Authorized Improvements; and (3) that the special benefit conferred on each Lot within PID 1 will equal or exceed the amount of the Assessment for each Lot.

4.3 Assessment Against the PID 1 Property. Based on the cost allocations set forth in this Assessment Plan, the Assessment levied against each Lot in PID 1 to pay the Authorized Improvement Cost is \$27,417.22, as shown on **Exhibit D.**

4.4 Reallocation of Assessments Upon Subdivision. If a Parcel is subdivided, the Assessment against the Parcel before subdivision will be reallocated among the new subdivided Parcels by applying a portion of the Assessment before subdivision to each new subdivided Parcel. The sum of the Assessments for the new subdivided Parcels cannot exceed the Assessment on the original Parcel before subdivision. Upon the subdivision of any Parcel, the Assessment for the Parcel before subdivision shall be reallocated among the new subdivided Parcels according to the following formula and subject to the Maximum Assessment:

$$A = B \div C$$

- A = the new Assessment against each new subdivided Parcel.
- B = the Assessment against the original Parcel before subdivision.
- C = the total number of new Parcels created by the subdivision.

The Administrator shall determine the total number of new Parcels created by the subdivision (i) based on the number of Parcels shown on an approved subdivision plat, or

(ii) if no approved subdivision plat exists for any portion of the subdivided Parcel, based on the number of Parcels estimated for such portions as shown on the owner's then-existing land use plan. The Assessments for subdivided Parcels in accordance with this section will be determined by the Administrator and recommended to and approved by the Town Council in a future Service and Assessment Plan Update.

4.5 Reallocation of Assessments Upon Consolidation. If two or more Parcels are consolidated, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. Assessments for consolidated Parcels will be calculated by the Administrator and approved by the Town Council in future Service and Assessment Plan Updates.

4.6 Maximum Assessment. The maximum Assessment for a Lot (the "Maximum Assessment") is \$27,417.22. The Maximum Assessment may be reduced but not increased.

4.7 Owner Initiated Subdivision and Consolidation. If an owner-initiated subdivision of a Parcel or owner-initiated consolidation of Parcels results in a reallocated Assessment for a Parcel that would exceed the Maximum Assessment, the owner shall pay to the Town at the time of the subdivision or consolidation the amount by which the reallocated Assessment for the Parcel exceeds the Maximum Assessment plus, if applicable, accrued interest through the date of such payment. Prepayment Costs, if any, that result from such owner-initiated subdivision or consolidation, shall be paid by the owner to the Town at the time of the subdivision or consolidation. Payments made by an owner pursuant to this section shall be used to reduce the outstanding principal amount of PID 1 Bonds and reduce the Assessments and Annual Installments for the affected Parcels, which reductions shall be calculated by the Administrator in accordance with the Bond Ordinance and Trust Indenture and approved by the Town Council in future Service and Assessment Plan Updates.

4.8 Owner-Caused Exempt Parcels. If the owner of a Parcel for which an Assessment has been levied ("Prior Owner") causes the Parcel to become Non-Benefited Property or otherwise causes the Parcel to become exempt from payment of the Assessment or Annual Installments (an "Exempt Parcel"), the Prior Owner shall pay to the Town at the time the

Parcel changes to an Exempt Parcel the full unpaid principal amount of the Assessment for the Parcel prior to the date of such change to an Exempt Parcel plus, if applicable, accrued interest through the date of such payment. Prepayment Costs, if any, that result from the change to an Exempt Parcel shall be paid by the Prior Owner to the Town. When such payments have been made by the Prior Owner or the Town as provided in this section, the obligation to pay the Assessment for the Parcel shall automatically terminate, and the Assessment shall be reduced to zero in future Service and Assessment Plan Updates. If the payments are not made, the lien against the Exempt Parcel to secure payment of the Assessment and Annual Installments shall continue until paid. Payments made by a Prior Owner pursuant to this section shall be used to reduce the outstanding principal amount of PID 1 Bonds and reduce the Assessments and Annual Installments for the affected Parcels, which reductions shall be calculated by the Administrator in accordance with the Bond Ordinance and Trust Indenture and approved by the Town Council in future Service and Assessment Plan Updates.

4.9 Prepayment of Assessments.

(a) Full Prepayment. The unpaid principal amount of an Assessment may be prepaid by the owner in full at any time, together with accrued interest through the date of prepayment; whereupon the obligation to pay the Assessment for the Parcel automatically terminates and the Assessment shall be reduced to zero in future Service and Assessment Plan Updates. If an Annual Installment has been billed prior to prepayment, the Annual Installment shall be due and payable and shall be credited against the prepayment amount. Prepayment Costs, if any, shall be paid by the Town from the Delinquency and Prepayment Reserve. Payments made by an owner pursuant to this section shall be used to pay the PID 1 Bonds in accordance with the Bond Ordinance and Trust Indenture and may reduce the Assessments and Annual Installments for the affected Parcels, which reductions shall be calculated by the Administrator in accordance with this PID 1 SAP and the Bond Ordinance and Trust Indenture and approved by the Town Council in future Service and Assessment Plan Update.

(b) Partial Prepayment. The unpaid principal amount of an Assessment may be prepaid by the owner in part at any time, together with accrued interest through the date of prepayment. The partial prepayment shall be calculated by the Administrator and paid to the Town. Prepayment Costs, if any, shall be paid by the Town from the Delinquency and Prepayment Reserve. Payments made by an owner pursuant to this section shall be used to pay the PID 1 Bonds in accordance with the Bond Ordinance and Trust Indenture and may reduce the Assessments and Annual Installments for the affected Parcels, which reductions shall be calculated by the Administrator in accordance with this PID 1 SAP and the Bond Ordinance and Trust Indenture and approved by the Town Council in future Service and Assessment Plan Updates.

4.10 Annual Installments. An Assessment that is not paid in full shall be paid in Annual Installments calculated by the Administrator and approved by the Town Council as part of each Service and Assessment Plan Update. Assessments may be reduced but not increased. Annual Installments, however, may be reduced or increased from year to year. Annual Installments include principal and interest on the PID 1 Bonds, Administrative Expenses, and the Additional Interest, and become delinquent if not paid by February 1st each year. Annual Installments shall be billed and collected by the Town, or by any other person, entity, or governmental agency authorized by state law and designated by the Town Council in accordance with the Act, in the same manner and at the same time as Town ad valorem taxes are billed and collected. Annual Installments shall be reduced by any credits applied under the Bond Ordinance and Trust Indenture and approved by the Town Council in future Service and Assessment Plan Updates.

4.11 Delinquency and Prepayment Reserve. The interest rate on Assessments may exceed the interest rate on the PID 1 Bonds by the Additional Interest. The Additional Interest shall be collected as part of each Annual Installment. Under the Trust Indenture, the Additional Interest shall be deposited into a reserve account and segregated from other funds of the Town (the "Delinquency and Prepayment Reserve"). The Delinquency and Prepayment Reserve shall be used as described in the Trust Indenture.

The Town Council, as part of a Service and Assessment Plan Update, may also, from time to time, apply all or any portion of the balance in the Delinquency and Prepayment Reserve to reduce Administrative Expenses or to redeem PID 1 Bonds in accordance with the Trust Indenture. The balance, if any, remaining in the Delinquency and Prepayment Reserve at the maturity of the PID 1 Bonds shall be used to redeem the bonds in accordance with the Trust Indenture.

4.12 Finding of Special Benefit. The Town Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- i. The Authorized Improvement Costs equals \$4,190,720.07 as shown on Exhibit B; and
- ii. The PID 1 Property receives special benefit from the Authorized Improvements equal to or greater than the Authorized Improvement Costs; and
- iii. The sum of the Assessment on all benefitting Lots equals \$4,140,000; and
- iv. The special benefit (\geq \$4,190,720.07) received by PID 1 Property from the Authorized Improvements is greater than the amount of the Assessments (\$4,140,000).
- v. At the time the Town Council approved the SAP, the Developer owned 100% of the PID 1 Property. The Developer acknowledged that the Authorized Improvements confer a special benefit on the PID 1 Property and consented to the imposition of the Assessments to pay for the Authorized Improvement Costs associated therewith.

4.13 Findings and Determinations. The findings and determinations by the Town Council set forth in this PID 1 SAP are based on (1) official reports prepared by qualified professionals and on file with the Town for public inspection, (2) evidence and testimony presented to the Town Council, and (3) information made available to the Town Council. The

Town Council has relied on the information contained in such official reports, evidence, and testimony in the preparation and approval of this PID 1 SAP and the allocation of the Authorized Improvement Cost to the PID 1 Property. Such findings and determinations represent the discretionary exercise by the Town Council of its legislative and governmental authority and power, and such findings and determinations are binding on the current and future owners of the PID 1 Property. Calculations performed by the Administrator in accordance with this PID 1 SAP and approved by the Town Council in future Service and Assessment Plan Updates, shall be conclusive upon approval by the Town Council.

4.14 Security for Payment. All payments due in accordance with this PID 1 SAP shall be treated the same with respect to the liens created to secure payment and the rights of the Town, including foreclosure, in the event of delinquencies. Any foreclosure sale of a Parcel for nonpayment of any such amounts shall be subject to a continuing lien for the remaining unpaid amounts in accordance with state law.

4.15 Release of Lien. When an Assessment has been paid in full, including Delinquent Collection Costs and any other related amounts owed under this PID 1 SAP, the Administrator shall notify the Town, and the Town shall execute a release, in recordable form, evidencing full payment of the Assessment and the unconditional release of the lien securing payment of the Assessment. All releases shall be reflected in future Service and Assessment Plan Updates.

SECTION 5

ASSESSMENT ROLL

The Assessment Roll on **Exhibit D** identifies the Assessment against each Lot and **Exhibit E** identifies the estimated Annual Installments for each Lot for which the Assessment is not paid in full. The Assessment Roll shall be updated by the Administrator as required by this PID 1 SAP and the Act, which updates shall be approved by the Town Council in future Service and Assessment Plan Updates.

SECTION 6
ADDITIONAL PROVISIONS

6.1 Calculation Errors. If the owner of a Parcel claims that an error has been made in any calculation required by this PID 1 SAP, including, but not limited to, any calculation made as part of any Service and Assessment Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Town Council within 10 days after Town Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved the calculation. Upon receipt of a written notice of error from an owner, the Town Council shall refer the notice to the Administrator who shall provide a written response to the Town Council and the owner within 30 days of such referral. The Town Council shall consider the owner's notice of error and the Administrator's response at a public hearing, and within 30 days after closing such hearing, the Town Council shall make a final determination as to whether or not an error has been made. If the Town Council determines that an error has been made, the Town Council shall take such corrective action as is authorized by the Act, this PID 1 SAP, the Bond Ordinance, or the Trust Indenture, or is otherwise authorized by the discretionary power of the Town Council. The determination by the Town Council as to whether an error has been made, and any corrective action taken by the Town Council, shall be final and binding on the owner and the Administrator.

6.2 Severability. The provisions of this PID 1 SAP are intended to be severable. In the event any provision of this PID 1 SAP, or the application thereof to any person or circumstance, is held or determined to be invalid, illegal, or unenforceable, and if such invalidity, unenforceability, or illegality does not cause substantial deviation from the underlying intent of the Town Council as expressed in this PID 1 SAP, then such provision shall be deemed severed from this PID 1 SAP with respect to such person, entity, or circumstance without invalidating the remainder of this PID 1 SAP or the application of such provision to other persons, entities, or circumstances.

6.3 Exhibits. The following exhibits are included as part of this PID 1 SAP:

Exhibit A: Legal Description of the PID 1 Property

Exhibit A-1: Depiction of the PID 1 Property

Exhibit B: Authorized Improvements

Exhibit C: Service Plan Five-Year Costs, Indebtedness, and Annual
Installment Projections

Exhibit D: Assessment Roll

Exhibit E: Estimated Annual Installments

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

38.9197 ACRE PARCEL
DENTON COUNTY, TEXAS

BEING all that certain lot, tract or parcel of land situated in the H. H. Swisher Survey, Abstract No. 1220, and the M.E.P. & P.R.R. Company Survey, Abstract No. 915, Denton County, Texas, and being a portion of the property described as Tract I, Tract III, and Tract IV in deed from Alan H. Goldfield and wife, Shirley M. Goldfield to AS Gold, L.P. as recorded under County Clerk File No. 99-R-0094877 of the Deed Records of Denton County, Texas and being more described by metes and bounds as follows;

COMMENCING at a 5/8" iron rod found in the East right of way line of Parkridge Drive (variable width right of way) at its intersection with the North line of a tract of said AS Gold L.P., Tract IV, for the Northeast corner of a called 0.1292 acre tract of land conveyed to the City of Corinth, Denton County, Texas for Dedication of said Parkridge Drive as recorded under County Clerk File No. 2011-64010 of the Deed Records of Denton County, Texas;

THENCE South 07° 28' 56" East along the East right of way line of Park Ridge Drive for a distance of 18.71 to a point for corner;

THENCE South 11° 48' 18" East and continuing along the East right of way line of said Parkridge Drive for a distance of 11.58 feet to a 5/8" iron rod set for the POINT OF BEGINNING for this description;

THENCE North 88° 34' 02" East and departing the East right of way line of said Parkridge Drive for a distance of 1330.25 feet to a 5/8" iron rod set for corner, said point being the beginning of a curve to the right having a central angle of 01° 14' 44" with a radius of 400.00 feet and a chord bearing North 89° 11' 24" East at a distance of 8.69 feet;

THENCE Easterly along said curve to the right for an arc distance of 8.70 feet to a 5/8" iron rod set for corner;

THENCE South 00° 00' 43" West for a distance of 1421.53 feet to a 5/8" iron rod set for corner in the in the South line of said AS Gold, L.P. Tract I and being in Turbeville Road (variable width right of way);

THENCE South 89° 41' 33" West and following along the South line of said AS Gold, L.P. Tract I in Turbeville Road for a distance of 7.14 feet to a 5/8" iron rod set for corner;

THENCE North 89° 20' 08" West and continuing along the South line of said AS Gold, L.P. Tract I and Tract III in Turbeville Road for a distance of 1000.00 feet to a pk nail set for corner in the aforesaid East right of way line of Parkridge Drive;

THENCE North 20° 51' 53" West and following along the East right of way line of said Parkridge Drive for a distance of 115.23 feet to a 5/8" iron rod found for corner;

THENCE North 20° 41' 27" West and continuing along the East right of way line of said Parkridge Drive for a distance of 358.78 feet to a 5/8" iron rod found for corner, said point being the beginning of a curve

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

to the right having a radius of 750.00 feet through a central angle of 07° 51' 16" and a chord bearing North 16° 45' 49" West at a chord distance of 102.73 feet;

THENCE Northwesterly along said curve to the right and continuing along the East right of way line of said Parkridge Drive for an arc distance of 102.81 feet to a 5/8" iron rod found for corner;

THENCE North 12° 50' 11" West and continuing along the East right of way line of said Parkridge Drive and for a distance of 273.32 feet to a 5/8" iron rod found for corner, said point being the beginning of a curve to the right having a radius of 700.00 feet through a central angle of 09° 17' 04" and a chord bearing North 08° 11' 39" West at a chord distance of 113.31 feet;

THENCE Northwesterly along said curve to the right and continuing along the East right of way line of said Parkridge Drive for an arc distance of 113.43 feet to a 5/8" iron rod found for corner;

THENCE North 03° 33' 07" West and continuing along the East right of way line of said Parkridge Drive for a distance of 208.48 feet to a 5/8" iron rod found for corner, said point being the beginning of a curve to the left having a radius of 750.00 feet through a central angle of 08° 15' 11" and a chord bearing North 07° 40' 43" West at a chord distance of 107.94 feet;

THENCE Northwesterly along said curve to the right and continuing along the East right of way line of said Parkridge Drive for an arc distance of 108.03 feet to a 5/8" iron rod found for corner;

THENCE North 11° 48' 18" West and continuing along the East right of way line of said Parkridge Drive for a distance of 144.27 feet to the POINT OF BEGINNING and CONTAINING 38.9197 ACRES OF LAND, more or less.

Exhibit A-1

Depiction of the PID 1 Property

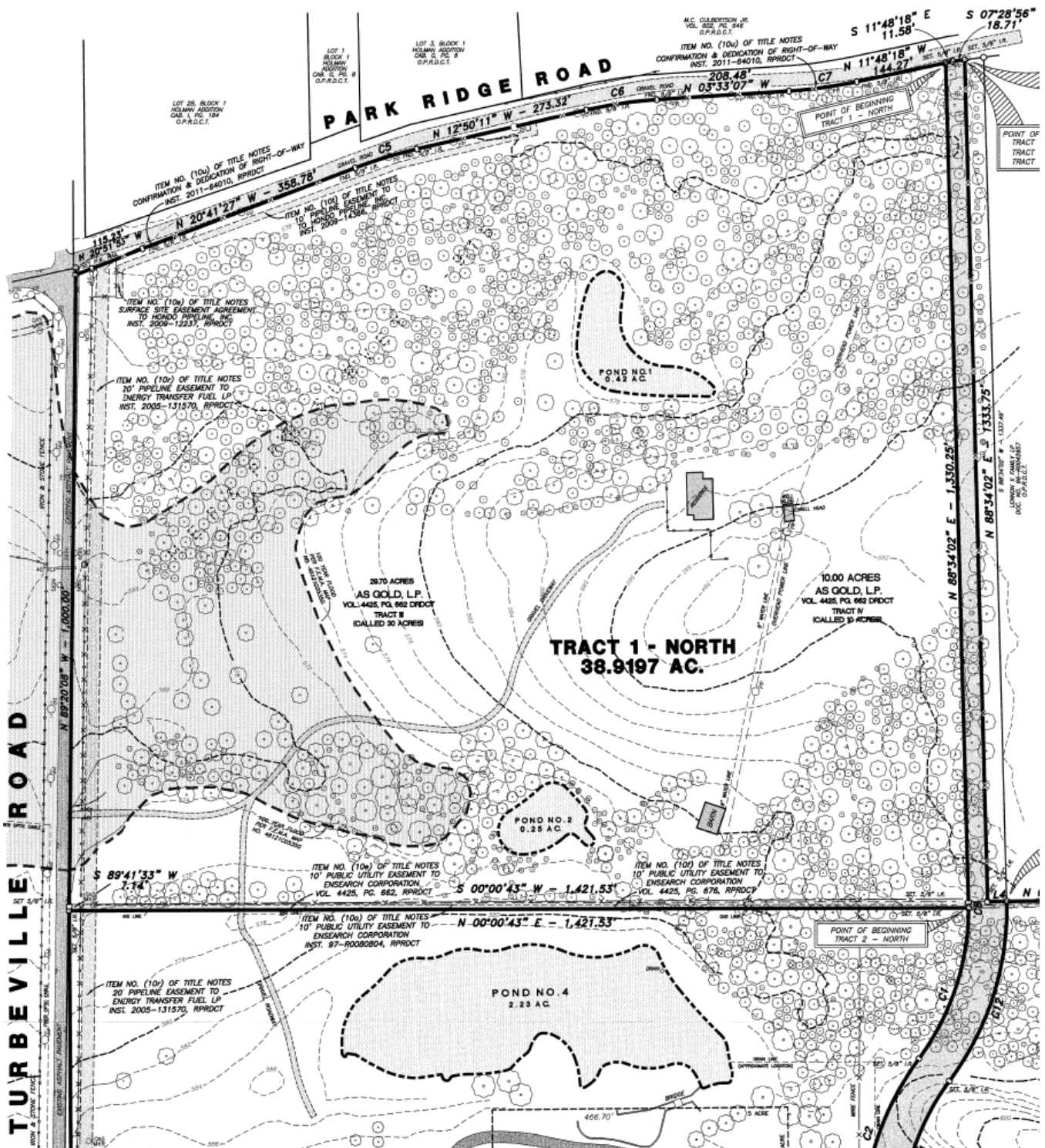


Exhibit B – Authorized Improvements

<u>CONTRACTOR PAYMENTS</u>	<u>AMOUNT PAID</u>	<u>WORK PERFORMED</u>
Ellerbe-Walczak, Inc	\$ 36,372.00	Geotech Engineering
Gilco Contracting Inc	451,672.00	Roadway Construction
Halff Associates, Inc	312,327.70	Civil Engineering
Jackson Construction Ltd	376,731.45	Roadway Construction
Juan Carlos E. Hernandez	10,630.10	Erosion Control
Kart Construction & Equipment Co	127,010.94	Roadway Construction
Kodiak Trenching & Boring LLC	369,503.35	Water, Sewer, Stormwater Construction
Lake City Municipal Utility District	16,381.25	Civil Engineering
Miller Services Inc	11,500.00	Erosion Control
Reno Environmental Corp	3,736.75	Erosion Control
RKM Utility Services, Inc	1,813,733.86	Water, Sewer, Stormwater Construction
THB Construction LLC	144,740.58	Roadway Construction
Xroads, LP	5,685.00	Street Signs
	<u>\$ 3,680,024.98</u>	

<u>BOND ISSUANCE COSTS</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
Debt Service Reserve Fund	\$ 119,143.75	Equal to 50% of maximum annual debt service
Delinquency and Prepayment Reserve	124,200.00	3% of par
Other Cost of Issuance	140,125.00	Preliminary estimate
Underwriter's Discount	124,200.00	3% of par
Rounding	<u>3,026.34</u>	
	<u>\$ 510,695.09</u>	

TOTAL AUTHORIZED IMPROVEMENTS	\$ 4,190,720.07
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Exhibit C
Service Plan Five-Year Projection of Cost, Indebtedness, and Annual Installments

Year (as of 1/31)	Authorized Improvement Costs	PID 1 Outstanding Indebtedness	PID 1 Annual Installments
2018	\$ -	\$ 4,140,000.00	\$ 241,340.28
2019	\$ -	\$ 4,060,000.00	\$ 246,260.00
2020	\$ -	\$ 3,975,000.00	\$ 243,873.20
2021	\$ -	\$ 3,890,000.00	\$ 246,489.66
2022	\$ -	\$ 3,800,000.00	\$ 243,959.46

**Exhibit D
Assessment Roll**

Parcel ID	Outstanding Assessment	Annual Installment Due 1/31/18					Total Annual Installment Due 1/31/18
		Principal	Interest	Delinquency and Prepayment Administration		Reserve	
				Expense	Expense		
564966	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564967	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564968	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564969	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564970	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564971	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564972	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564973	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564974	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564975	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564976	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564977	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564978	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564979	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564980	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564981	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564982	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564983	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564984	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564985	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564986	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564987	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564988	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564989	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564990	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564991	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564992	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564995	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564996	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
564999	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565000	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565001	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565002	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565003	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565004	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565005	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565006	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565008	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565009	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565010	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565011	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565012	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565013	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565014	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565015	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565016	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565017	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565018	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565019	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565020	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	

**Exhibit D
Assessment Roll**

Parcel ID	Outstanding Assessment	Annual Installment Due 1/31/18					Total Annual Installment Due 1/31/18
		Principal	Interest	Delinquency and Prepayment Administration			
				Reserve	Expense		
565021	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565022	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565023	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565024	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565025	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565026	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565027	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565028	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565029	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565030	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565031	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565032	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565033	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565034	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565035	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565036	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565037	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565038	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565039	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565040	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565041	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565042	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565043	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565047	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565048	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565049	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565050	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565051	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565052	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565053	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565054	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565055	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565056	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565057	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565058	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565059	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565060	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565061	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
565062	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654134	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654135	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654136	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654137	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654138	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654139	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654140	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654141	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654142	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654143	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654144	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	

**Exhibit D
Assessment Roll**

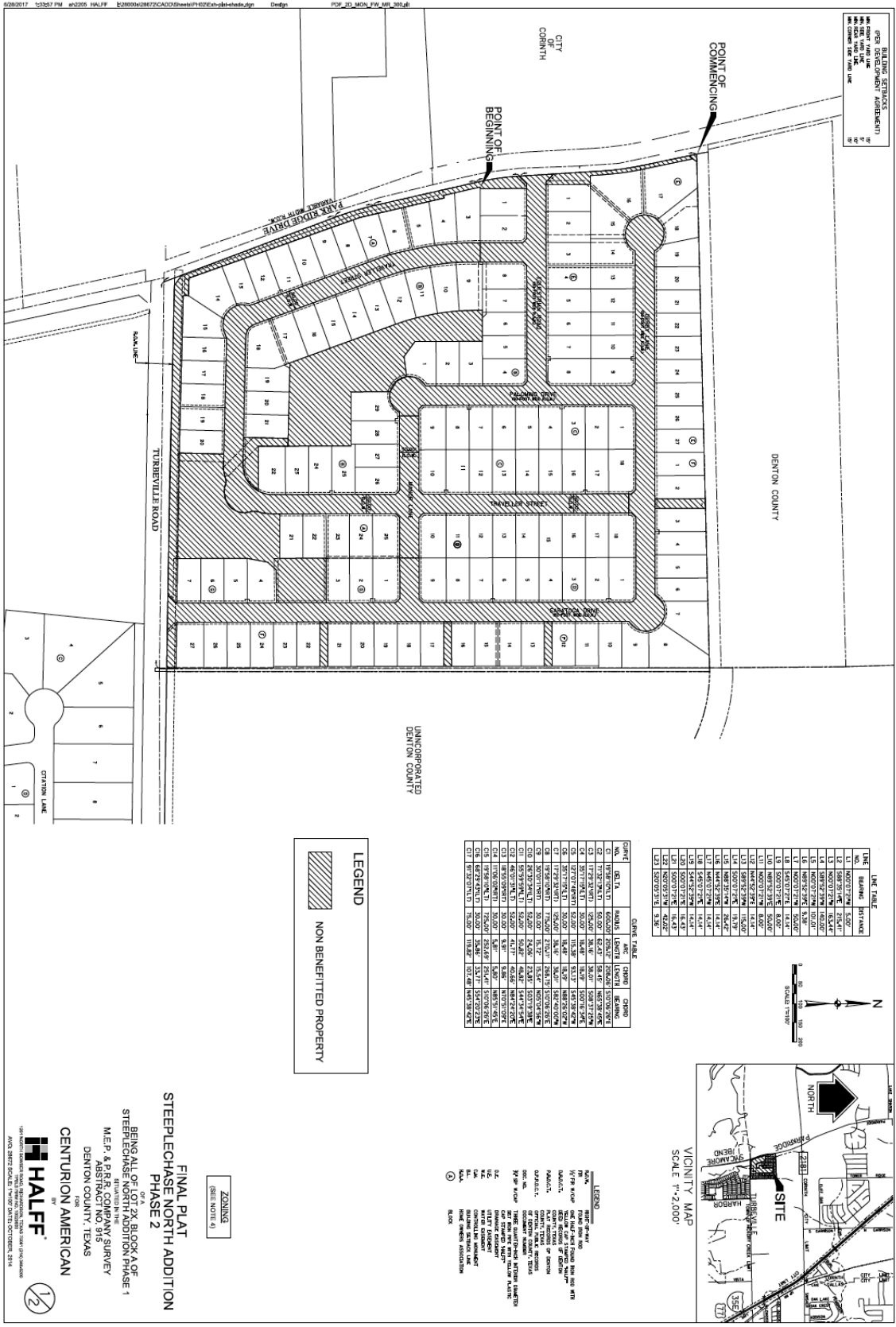
		Annual Installment Due 1/31/18					
Parcel ID	Outstanding Assessment	Delinquency and Prepayment Reserve			Administration Expense	Total Annual Installment Due 1/31/18	
		Principal	Interest				
654145	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654146	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654147	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654148	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654149	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654150	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654151	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654152	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654153	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654154	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654155	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654156	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654157	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654158	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654159	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654160	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654161	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654162	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654163	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654164	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654165	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654166	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654167	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654168	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654169	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654170	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654171	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654172	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654173	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654174	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654175	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654176	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654177	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654179	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654180	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654181	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654182	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654183	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654184	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654185	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654186	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654187	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654188	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654189	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654190	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654191	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654192	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654193	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654194	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654195	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
654196	\$ 27,417.22	\$ 529.80	\$ 1,015.50	\$ -	\$ 52.98	\$ 1,598.28	
Total	\$4,140,000.00	\$ 80,000.00	\$ 153,340.28	\$ -	\$ 8,000.00	\$ 241,340.28	

Exhibit E
Estimated Annual Installments

Installments Due	PID #1 Bonds			Administrative Expenses	Total Installment
	Principal	Interest	Delinquency and Prepayment Reserve		
1/31/2018	\$ 80,000.00	\$ 153,340.28	\$ -	\$ 8,000.00	\$ 241,340.28
1/31/2019	\$ 85,000.00	\$ 153,100.00	\$ -	\$ 8,160.00	\$ 246,260.00
1/31/2020	\$ 85,000.00	\$ 150,550.00	\$ -	\$ 8,323.20	\$ 243,873.20
1/31/2021	\$ 90,000.00	\$ 148,000.00	\$ -	\$ 8,489.66	\$ 246,489.66
1/31/2022	\$ 90,000.00	\$ 145,300.00	\$ -	\$ 8,659.46	\$ 243,959.46
1/31/2023	\$ 95,000.00	\$ 142,600.00	\$ -	\$ 8,832.65	\$ 246,432.65
1/31/2024	\$ 95,000.00	\$ 139,750.00	\$ -	\$ 9,009.30	\$ 243,759.30
1/31/2025	\$ 100,000.00	\$ 136,900.00	\$ -	\$ 9,189.49	\$ 246,089.49
1/31/2026	\$ 100,000.00	\$ 133,400.00	\$ -	\$ 9,373.28	\$ 242,773.28
1/31/2027	\$ 105,000.00	\$ 129,900.00	\$ -	\$ 9,560.74	\$ 244,460.74
1/31/2028	\$ 110,000.00	\$ 126,225.00	\$ -	\$ 9,751.96	\$ 245,976.96
1/31/2029	\$ 115,000.00	\$ 122,100.00	\$ -	\$ 9,946.99	\$ 247,046.99
1/31/2030	\$ 120,000.00	\$ 117,787.50	\$ -	\$ 10,145.93	\$ 247,933.43
1/31/2031	\$ 125,000.00	\$ 113,287.50	\$ -	\$ 10,348.85	\$ 248,636.35
1/31/2032	\$ 125,000.00	\$ 108,600.00	\$ -	\$ 10,555.83	\$ 244,155.83
1/31/2033	\$ 130,000.00	\$ 103,912.50	\$ -	\$ 10,766.95	\$ 244,679.45
1/31/2034	\$ 135,000.00	\$ 98,875.00	\$ -	\$ 10,982.29	\$ 244,857.29
1/31/2035	\$ 140,000.00	\$ 93,643.76	\$ -	\$ 11,201.93	\$ 244,845.69
1/31/2036	\$ 150,000.00	\$ 88,218.76	\$ -	\$ 11,425.97	\$ 249,644.73
1/31/2037	\$ 155,000.00	\$ 82,406.26	\$ -	\$ 11,654.49	\$ 249,060.75
1/31/2038	\$ 160,000.00	\$ 76,400.00	\$ -	\$ 11,887.58	\$ 248,287.58
1/31/2039	\$ 165,000.00	\$ 70,000.00	\$ -	\$ 12,125.33	\$ 247,125.33
1/31/2040	\$ 170,000.00	\$ 63,400.00	\$ -	\$ 12,367.84	\$ 245,767.84
1/31/2041	\$ 180,000.00	\$ 56,600.00	\$ -	\$ 12,615.19	\$ 249,215.19
1/31/2042	\$ 185,000.00	\$ 49,400.00	\$ -	\$ 12,867.50	\$ 247,267.50
1/31/2043	\$ 195,000.00	\$ 42,000.00	\$ -	\$ 13,124.85	\$ 250,124.85
1/31/2044	\$ 200,000.00	\$ 34,200.00	\$ -	\$ 13,387.34	\$ 247,587.34
1/31/2045	\$ 210,000.00	\$ 26,200.00	\$ -	\$ 13,655.09	\$ 249,855.09
1/31/2046	\$ 220,000.00	\$ 17,800.00	\$ -	\$ 13,928.19	\$ 251,728.19
1/31/2047	\$ 225,000.00	\$ 9,000.00	\$ -	\$ 14,206.76	\$ 248,206.76
Total	\$4,140,000.00	\$2,932,896.56	\$ -	\$ 324,544.63	\$7,397,441.19

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, Delinquency and Reserve Fund Requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Exhibit F Map of Non-Benefited Property





Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.2

Consider and act on an ordinance authorizing the issuance of the "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1)"; approving and authorizing an indenture of trust, a bond purchase agreement, a continuing disclosure agreement and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date.

TOWN OF HICKORY CREEK, TEXAS
ORDINANCE 2017-08-669

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "TOWN OF HICKORY CREEK, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017 (HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Town of Hickory Creek, Texas (the "Town"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, has previously established the "Hickory Creek Public Improvement District No. 1" (the "District"); and

WHEREAS, pursuant to the PID Act, the Town Council of the Town (the "Council") published notice of the assessment hearing in a newspaper of general circulation in the Town, and held a public hearing on April 24, 2012, regarding the levy of special assessments within the District, and on such date, the Council adopted Ordinance No. 2012-04-682 (the "Assessment Ordinance"); and

WHEREAS, in the Assessment Ordinance, the Council approved and accepted the Service and Assessment Plan (as defined and described in the Assessment Ordinance, the "PID 1 SAP") relating to the District and levied the Assessments (as defined in the PID 1 SAP, the "Assessments") against the Assessment Roll (as defined and described in the Service and Assessment Plan, the "Assessment Roll"). Capitalized terms used in this preamble and not otherwise defined shall have the meaning assigned thereto in the Service and Assessment Plan; and

WHEREAS, the Council has found and determined that it is in the best interests of the Town to issue its bonds to be designated "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1)" (the "Bonds"), such Bonds to be payable from and secured by the Pledged Revenues, as defined in the Indenture (defined below); and

WHEREAS, the Town is authorized by the PID Act to issue the Bonds for the purpose of (i) paying or reimbursing for all or a portion of the Costs, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the District, and (iv) paying the costs of issuance of the Bonds; and

WHEREAS, the Council has found and determined to approve (i) the issuance of the Bonds to reimburse for Costs of the Authorized Improvements constructed in the District, (ii) the form, terms and provisions of an indenture of trust securing the Bonds authorized hereby, (iii) the form, terms and provisions of a Bond Purchase Agreement (defined below) between the Town and the purchaser of the Bonds, (iv) an Official Statement (defined below) and (v) a Continuing Disclosure Agreement (defined below); and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

NOW, THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS, THAT:

Section 1. Findings. The findings and determinations set forth in the preamble hereof are hereby incorporated by reference for all purposes as if set forth in full herein.

Section 2. Approval of Issuance of Bonds and Indenture of Trust.

(a) The issuance of the Bonds in the principal amount of \$_____ for the purpose of (i) paying or reimbursing for all or a portion of the Costs of Authorized Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the District, and (iv) paying the costs of issuance of the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture"), dated as of August 15, 2017, between the Town 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 Mayor or Mayor Pro Tem of the Town, such approval to be evidenced by the execution and delivery of the Indenture, which Indenture is hereby approved in substantially final form attached hereto as **Exhibit A** and incorporated herein as a part hereof for all purposes. The Mayor or Mayor Pro Tem of the Town is hereby authorized and directed to execute the Indenture and the Town 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 amount or 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 and other assets of the Trust Estate (as defined in the Indenture) pledged to the Bonds, and shall never be payable from ad valorem taxes or any other funds or revenues of the Town.

Section 3. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the "Underwriter") at the price and on the terms and provisions set forth in that certain Bond Purchase Agreement (the "Bond Purchase Agreement"), dated the date hereof, between the Town and the Underwriter, attached hereto as **Exhibit B** and incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interest of the Town. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved and the Mayor or Mayor Pro Tem of the Town is hereby authorized and directed to execute and deliver the Bond Purchase Agreement. The Mayor's or Mayor Pro Tem's signature on the Bond Purchase Agreement may be attested by the Town Secretary.

Section 4. Official Statement. The form and substance of the final Official Statement for the Bonds and any addenda, supplement or amendment thereto (the " Official Statement") presented to and considered at the meeting at which this Ordinance is considered are hereby in all respects approved and adopted. The Official Statement, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the Town and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The Town Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Official Statement and Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement in the offering of the Bonds is hereby ratified, approved and confirmed. Notwithstanding the approval and delivery of such Preliminary Official Statement and Official Statement by the Council, the Council is not responsible for and proclaims no specific knowledge of the information contained in the Preliminary Official Statement and Official Statement pertaining to the Developer or its financial ability, any builders, any landowners, or the appraisal of the property in the District.

Section 5. Continuing Disclosure Agreement. The Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the Town and FSC Continuing Disclosure Services, a division of First Southwest Company, LLC is hereby authorized and approved in substantially final form attached hereto as **Exhibit C** and incorporated herein as a part hereof for all purposes and the Mayor or Mayor Pro Tem of the Town is hereby 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 approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

Section 6. Additional Actions. The Mayor, the Mayor Pro Tem, the Town Manager and the Town Secretary are hereby authorized and directed to take any and all actions on behalf of the Town necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the Town Manager and the Town Secretary are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions, and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance.

Section 7. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 8. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, and shall be effective immediately upon its passage and adoption.

EXHIBIT A

INDENTURE OF TRUST

See Attached

INDENTURE OF TRUST

By and Between

TOWN OF HICKORY CREEK, TEXAS

and

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

DATED AS OF AUGUST 15, 2017

SECURING

[\$4,135,000]

**TOWN OF HICKORY CREEK, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017
(HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1)**

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION	4
Section 1.1. Definitions.....	4
Section 1.2. Findings.....	11
Section 1.3. Table of Contents, Titles and Headings.....	11
Section 1.4. Interpretation.....	11
ARTICLE II THE BONDS.....	12
Section 2.1. Security for the Bonds.	12
Section 2.2. Limited Obligations.	12
Section 2.3. Authorization for Indenture.	12
Section 2.4. Contract with Owners and Trustee.	13
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS	13
Section 3.1. Authorization.	13
Section 3.2. Date, Denomination, Maturities, Numbers and Interest.	13
Section 3.3. Conditions Precedent to Delivery of Bonds.....	14
Section 3.4. Medium, Method and Place of Payment.....	14
Section 3.5. Execution and Registration of Bonds.	15
Section 3.6. Ownership.	16
Section 3.7. Registration, Transfer and Exchange.....	16
Section 3.8. Cancellation.	17
Section 3.9. Temporary Bonds.....	17
Section 3.10. Replacement Bonds.	18
Section 3.11. Book-Entry Only System.....	19
Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.....	19
Section 3.13. Payments to Cede & Co.....	20
ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY	20
Section 4.1. Limitation on Redemption	20
Section 4.2. Mandatory Sinking Fund Redemption.....	20
Section 4.3. Optional Redemption	21
Section 4.4. Extraordinary Optional Redemption.....	22
Section 4.5. Partial Redemption.....	22
Section 4.6. Notice of Redemption to Owners.	22
Section 4.7. Payment Upon Redemption	22
Section 4.8. Effect of Redemption.....	23
ARTICLE V FORM OF THE BONDS	23
Section 5.1. Form Generally	23
Section 5.2. Form of the Bonds.	24
Section 5.3. CUSIP Registration.....	31

Section 5.4.	Legal Opinion.	31
ARTICLE VI	FUNDS AND ACCOUNTS	31
Section 6.1.	Establishment of Funds and Accounts	31
Section 6.2.	Initial Deposits to Funds and Accounts	32
Section 6.3.	Pledged Revenue Fund	33
Section 6.4.	Bond Fund.....	34
Section 6.5.	Project Fund	34
Section 6.6.	Redemption Fund.....	35
Section 6.7.	Reserve Fund	35
Section 6.8.	Rebate Fund: Rebatable Arbitrage.....	37
Section 6.9.	Administrative Fund.	37
Section 6.10.	Investment of Funds.....	38
Section 6.11.	Security of Funds	42
ARTICLE VII	COVENANTS	39
Section 7.1.	Confirmation of Assessments.	39
Section 7.2.	Collection and Enforcement of Assessments.....	39
Section 7.3.	Against Encumbrances.....	40
Section 7.4.	Records, Accounts, Accounting Reports.	40
Section 7.5.	Covenants Regarding Tax Exemption of Interest on Bonds.....	41
ARTICLE VIII	LIABILITY OF TOWN.....	43
Section 8.1.	Liability of Town.	43
ARTICLE IX	THE TRUSTEE	45
Section 9.1.	Acceptance of Trust; Trustee as Registrar and Paying Agent.	45
Section 9.2.	Trustee Entitled to Indemnity.	45
Section 9.3.	Responsibilities of the Trustee.....	45
Section 9.4.	Property Held in Trust.	46
Section 9.5.	Trustee Protected in Relying on Certain Documents.....	46
Section 9.6.	Compensation.	47
Section 9.7.	Permitted Acts.....	47
Section 9.8.	Resignation of Trustee.	47
Section 9.9.	Removal of Trustee.....	47
Section 9.10.	Successor Trustee.....	48
Section 9.11.	Transfer of Rights and Property to Successor Trustee.....	48
Section 9.12.	Merger, Conversion or Consolidation of Trustee.	49
Section 9.13.	Trustee To File Continuation Statements.	49
Section 9.14.	Accounts, Periodic Reports and Certificates.	49
Section 9.15.	Construction of Indenture.	49
ARTICLE X	MODIFICATION OR AMENDMENT OF THIS INDENTURE	50
Section 10.1.	Amendments Permitted.....	50
Section 10.2.	Owners' Meetings.	50
Section 10.3.	Procedure for Amendment with Written Consent of Owners.....	51
Section 10.4.	Procedure for Amendment Not Requiring Owner Consent.....	51

Section 10.5. Effect of Supplemental Indenture.....	52
Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments.....	52
Section 10.7. Amendatory Endorsement of Bonds.....	52
Section 10.8. Waiver of Default.....	52
Section 10.9. Execution of Supplemental Indenture.....	52
ARTICLE XI DEFAULT AND REMEDIES.....	53
Section 11.1. Events of Default.....	53
Section 11.2. Immediate Remedies for Default.....	53
Section 11.3. Restriction on Owner's Action.....	54
Section 11.4. Application of Revenues and Other Moneys After Default.....	55
Section 11.5. Effect of Waiver.....	56
Section 11.6. Evidence of Ownership of Bonds.....	56
Section 11.7. No Acceleration.....	57
Section 11.8. Mailing of Notice.....	57
Section 11.9. Exclusion of Bonds.....	57
ARTICLE XII GENERAL COVENANTS AND REPRESENTATIONS.....	57
Section 12.1. Representations as to Pledged Revenues.....	57
Section 12.2. General.....	57
ARTICLE XIII SPECIAL COVENANTS.....	58
Section 13.1. Further Assurances; Due Performance.....	58
Section 13.2. Other Obligations or Other Liens; Refunding Bonds.....	58
Section 13.3. Books of Record.....	58
ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE.....	59
Section 14.1. Trust Irrevocable.....	59
Section 14.2. Satisfaction of Indenture.....	59
Section 14.3. Bonds Deemed Paid.....	59
ARTICLE XV MISCELLANEOUS.....	60
Section 15.1. Benefits of Indenture Limited to Parties.....	60
Section 15.2. Successor is Deemed Included in All References to Predecessor.....	60
Section 15.3. Execution of Documents and Proof of Ownership by Owners.....	60
Section 15.4. No Waiver of Personal Liability.....	61
Section 15.5. Notices to and Demands on Town and Trustee.....	61
Section 15.6. Partial Invalidity.....	62
Section 15.7. Applicable Laws.....	62
Section 15.8. Payment on Business Day.....	62
Section 15.9. Counterparts.....	63
EXHIBIT A CERTIFICATE FOR PAYMENT	

INDENTURE OF TRUST

THIS INDENTURE, dated as of August 15, 2017, is by and between the TOWN OF HICKORY CREEK, TEXAS (the "*Town*"), and U.S. Bank National Association, as trustee (together with any 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 and filed with the Town Secretary of the Town (the "*Town Secretary*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*Act*" or "*PID Act*"), requesting the creation of a public improvement district located within the corporate limits of the Town to be known as Hickory Creek Public Improvement District No. 1 (the "*District*" or "*PID*"); and

WHEREAS, the petition contained the signatures of the owners of taxable real property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Denton Central Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on March 27, 2012, after due notice, the Town Council of the Town (the "*Town 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 March 27, 2012, the Town Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution 2012-0327-1, adopted by a majority of the members of the Town Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of Resolution 2012-0327-1, the Town published notice of its authorization of the District in a newspaper of general circulation in the Town; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the Town Secretary within 20 days after the date of publication of such notice; and

WHEREAS, on April 3, 2012, the Town Council by Resolution No. 2012-0403-01 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 April 24, 2012, and directed Town staff to (i) file said proposed assessment roll with the Town 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 April 24, 2012 hearing; and

WHEREAS, the Town, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the Town 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 Town, 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 Town Council convened the public hearing on April 24, 2012, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Assessments; and

WHEREAS, at the April 24, 2012 public hearing referenced above, there were no written objections or evidence submitted to the Town Secretary in opposition to the Service and Assessment Plan, the allocation of Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the Town Council closed the public hearing and, after considering all written and documentary evidence presented at the public hearing, including all written comments and statements filed with the Town, at a meeting held on April 24, 2012, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; and

WHEREAS, the Town Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying the Costs, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the District and (iv) paying the costs of issuance of the Bonds; and

WHEREAS, the Town Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1)" (the "*Bonds*"), such Bonds being payable solely from the Assessments 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 Town, 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, including all moneys and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the Town to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the Town 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; and

THIRD GRANTING CLAUSE

Any and all proceeds of the foregoing property and proceeds from the investment of the foregoing property;

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, if the Town or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on 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;

IN ADDITION, the Bonds are special obligations of the Town payable solely from the Pledged Revenues, as and to the extent provided in this Indenture. The Bonds do not give rise to a charge against the general credit or taxing powers of the Town and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners of the Bonds shall never have the right to demand payment thereof out of any funds of the Town other than the Pledged Revenues. The Town shall have no legal or moral obligation to pay for the Bonds out of any funds of the Town other than the Pledged Revenues.

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 Town 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*", in the singular, means any of the accounts established pursuant to Section 6.1 of this Indenture, and "*Accounts*", in the plural, means, collectively, all of the accounts established pursuant to Section 6.1 of this Indenture.

"*Additional Interest*" means the 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the Act.

"*Administrative Expenses*" mean the actual or budgeted costs and expenses related to the creation and operation of the PID, the issuance and sale of Bonds, and the construction of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accounts, financial advisors, and other consultants engaged by the Town; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Roll and Annual Service Plan Updates; (5) issuing, paying, and redeeming Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with the Service and Assessment Plan and the Act with respect to the issuance and sale of the Bonds, including continuing disclosure requirements; (8) the Paying Agent/Registrar, which initially is the Trustee, in connection with the Bonds, including their respective legal counsel; and (9) administering the construction of the Authorized Improvements. Administrative Expenses collected but not expended in any year shall be carried forward and applied to reduce Administrative Expenses for subsequent years.

"*Administrator*" means an employee or designee of the Town who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the Town related to the duties and responsibilities of the administration of the District.

"*Annual Debt Service*" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

"*Annual Installment*" means the annual installment payments of an Assessment calculated by the Administrator and approved by the Town Council, including (1) principal; (2) interest; (3) Administrative Expenses; and (4) Additional Interest that funds the Delinquency and Prepayment 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 or of the United States of America, by which the Town and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

"*Assessed Property*" means any property 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 all Parcels within PID No. 1 other than Non-Benefited Property.

"*Assessment*" means an assessment levied against a Parcel pursuant to the PID Act.

"*Assessment Ordinance*" means Ordinance No. 2012-04-682 adopted by the Town Council on April 24, 2012, as may be amended or supplemented, that levied the Assessments on the Assessed Property.

"*Assessment Revenues*" means the revenues received by the Town from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"*Assessment Roll*" means the document included in the Service and Assessment Plan as Exhibit D, as updated, modified or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and in the PID Act.

"*Attorney General*" means the Attorney General of the State.

"*Authorized Denomination*" means \$25,000 and any integral multiple of \$5,000 in excess thereof.

"*Authorized Improvements*" mean those public improvements described in Exhibit B of the Service and Assessment Plan and Section 372.003 of the PID Act which are constructed pursuant to the Reimbursement Agreement, which are to be undertaken for the benefit of property in the District.

"*Authorized Improvement Costs*" mean the actual costs of all or any portion of the Authorized Improvements, as described in Exhibit B of the Service and Assessment Plan including, but not limited to, all costs paid or incurred in connection with the issuance of the Bonds, and including all costs otherwise paid or incurred in connection with the transaction that results in the issuance of Bonds (whether such costs are characterized as interest, costs of issuance, reserve fund, or other costs of the transaction).

"*Bond*" means any of the Bonds.

"*Bond Counsel*" means McCall, Parkhurst & Horton L.L.P. or any other attorney or firm of attorneys designated by the Town 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 dated 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 pursuant to Section 6.4.

"*Bond Ordinance*" means Ordinance No. [] adopted by the Town Council on August 15, 2017 authorizing the issuance of the Bonds pursuant to this Indenture.

"*Bond Pledged Revenue Account*" means the Account in the Pledged Revenue Fund established pursuant to Section 6.1 of this Indenture.

"*Bond Year*" means the one-year period beginning on September 1 in each year and ending on the day prior to September 1 in the following year.

"*Bonds*" means the Town's bonds authorized to be issued by Section 3.1 of this Indenture entitled "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1)" and, in the event the Town issues Refunding Bonds pursuant to Section 13.2 hereof, the term "Bonds" shall include such Refunding Bonds.

"*Business Day*" means any day other than a Saturday, Sunday or legal holiday in the State observed as such by the Town or the Trustee or any national holiday observed by the Trustee.

"*Certificate for Payment*" means a certificate substantially in the form of Exhibit A hereto and executed by a Person approved by the Town Representative that is delivered to the Town 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 Section 6.5 of this Indenture.

"*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.

"*Comptroller*" means the Comptroller of Public Accounts of the State.

"*Costs*" means the Authorized Improvement Costs (excluding Administrative Expenses, for the Authorized Improvements, as such amounts are set forth in the Service and Assessment Plan.

"*Costs of Issuance Account*" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

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

"*Delinquency and Prepayment Reserve Account*" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

"*Delinquency and Prepayment Reserve Requirement*" means an amount equal to 3% of the principal amount of the then Outstanding Bonds.

"*Delinquent Collection Costs*" mean interest, penalties and expenses incurred or imposed with respect to any delinquent Annual Installments of an Assessment in accordance with §372.018(b) of the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorneys' fees.

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

"*Developer*" means CTMGT Turbeville, LLC, and any successor thereto.

"*DTC*" means The Depository Trust Company of New York, New York, or any successor securities depository.

"*DTC Participant*" means 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 Town from the enforcement of the Assessments against any Assessed Property, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"*Fund*", in the singular, means any of the funds established pursuant to Section 6.1 of this Indenture, and "*Funds*", in the plural, means, collectively, all of the funds established pursuant to Section 6.1 of this Indenture.

"*Improvement Account*" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture for payment or reimbursement of Costs.

"*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 Town who, or each of whom: (i) is judged by the Town, 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 Town; (iii) does not have any substantial interest, direct or indirect, with or in the Town, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the Town as an officer or employee of the Town, but who may be regularly retained to make reports to the Town.

"*Initial Bonds*" means the Initial Bonds authorized by Section 5.2 of this Indenture.

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

"*Investment Securities*" means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended, which investments are, at the time made, included in and authorized by the Town's official investment policy as approved by the Town Council from time to time.

"*Maximum Annual Debt Service*" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"*Outstanding*" means, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article IV, (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 and (iv) Bond alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Indenture.

"*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.

"*Parcel*" or "*Parcels*" means a parcel or parcels within the District identified by either a tax map identification number assigned to the Parcel by the Denton Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of Denton County.

"*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.

"*Pledged Funds*" means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

"*Pledged Revenue Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3.

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of Annual Installments collected for the payment of Administrative Expenses and

Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the Town may pledge to the payment of the Bonds.

"*Prepayment*" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

"*Prepayment Costs*" means 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 Town as a result of any Prepayment.

"*Principal and Interest Account*" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

"*Project Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

"*Purchaser*" means the initial purchaser of the Bonds.

"*Rebatable Arbitrage*" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

"*Rebate Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8.

"*Record Date*" means the close of business on the last 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.

"*Redemption Price*" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture.

"*Refunding Bonds*" means bonds issued to refund all or any portion of the Outstanding Bonds and secured by a parity lien with the Outstanding Bonds on the Pledged Revenues, as more specifically described in the indenture authorizing such Refunding Bonds.

"*Register*" means the register specified in Article III of this Indenture.

"*Reimbursement Agreement*" means the Reimbursement Agreement by and between the Town and the Developer, dated as of April 24, 2012, as may be amended and/or supplemented from time to time.

"*Reserve Account*" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

"*Reserve Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

"*Reserve Fund Obligations*" means cash or Investment Securities.

"*Reserve Account Requirement*" means \$[___] which is equal to 50% of the Maximum Annual Debt Service on the Bonds as of the date of issuance; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(c); and provided further that as a result of (1) a mandatory sinking fund redemption pursuant to Section 4.2, (2) an optional redemption pursuant to Section 4.3 or (3) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption.

"*Service and Assessment Plan*" and "*SAP*" each mean the document, including the Assessment Roll, which is attached to the Assessment Ordinance, as may be updated in an annual updated or amended and supplemented from time to time.

"*Sinking Fund Installment*" means the amount of money to redeem or pay at maturity the principal of a Stated Maturity of Bonds payable from such installments at the times and in the amounts provided in Section 4.2.

"*Special Record Date*" has the meaning set forth in in the form of Bond included in Section 5.2 hereof.

"*State*" means the State of Texas.

"*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 a Town Representative pursuant to an ordinance adopted by the Town Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

"*Town Certificate*" means a certificate signed by the Town Representative and delivered to the Trustee.

"*Town Order*" means written instructions by the Town, executed by a Town Representative.

"*Town Representative*" means that official or agent of the Town authorized by the Town Council to undertake the action referenced herein.

"*Treasury Regulations*" shall have the meaning assigned to such term in Section 7.5(c).

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture.

"*Trustee*" means U.S. Bank National Association located in Dallas, Texas and any 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.

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price.

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.

(a) The Bonds, as to principal, interest and redemption premium, if any, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

(b) 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 Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Town under this Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Pledged Revenues granted by the Town under this Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Town agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business and Commerce Code 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 Town, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues; 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 Town.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the Town to the Trustee have been duly authorized by official action of the Town Council. The Town 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 and/or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and/or 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 Town 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 Town with the Owner, and shall be deemed to be and shall constitute a contract among the Town, 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, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of \$[4,135,000] for the purpose of (i) paying or reimbursing for all or a portion of the Costs, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the District, and (iv) paying the costs of issuance of the Bonds.

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

(a) The Bonds shall be dated August 15, 2017 (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 Closing Date, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below, or on a date of earlier redemption, or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing March 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 at the rates 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, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2.

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the Town 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 Town, 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 Reimbursement Agreement with all executed amendments thereto;
- (d) a copy of this Indenture executed by the Trustee and the Town; and
- (e) an executed Town 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.

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 or Special Record Date, as applicable.
- (c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the Town 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, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the Town to be used for any lawful purpose. Thereafter, none of the Town, 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.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the Town by the Mayor and Town Secretary, by their manual or facsimile signatures, and the official seal of the Town 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 Town had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the Town 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, or

by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the Town, and has been registered by the Comptroller.

(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 and the Town Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller, 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 Town, the Trustee, including in its capacity as 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 Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the Town, the Trustee, including in its capacity as 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 Town, the Trustee, including in its capacity as 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 Town 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 maintain a copy of the Register, 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 Town 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 Town 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 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 Town 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. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall dispose of cancelled Bonds in accordance with its record retention policies.

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 Town may execute and, upon the Town'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 Town 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 Town, 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 Town 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 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 Town harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee, including in its capacity as 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 Town 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 Town 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 Town, 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, 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 Town 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.

(a) 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 Town 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.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town 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 Town 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 will 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 Town 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 Town'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 Town 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 Record Date or Special Record Date, as applicable, 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 Town determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the Town to DTC, the Town 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 Town 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 maturing on September 1, 2037 and September 1, 2047 (collectively, the "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the Town in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds maturing [____]	
<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>

* Stated Maturity.

(b) At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installment amount of such Term Bonds to be redeemed, shall call such Term 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 Term Bonds 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 Town, by the principal amount of any Term Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the Town at a price not exceeding the principal amount of such Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Term 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 Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. **Optional Redemption.**

The Town reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 2027, such redemption date or dates to be fixed by the Town, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Section 4.4. **Extraordinary Optional Redemption.**

The Town reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on the fifteenth 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 (including related transfers to the Redemption Fund as provided in Sections 6.7(a) and 6.7(c)) or any other transfers to the Redemption Fund under the terms of this Indenture.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$5,000 by lot or any other customary method that results in a random selection, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

(b) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5, 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 Town 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 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 this Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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 Town and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the Redemption Price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller, 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 this Article 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 Town 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 may be typewritten and photocopied or otherwise reproduced.

Section 5.2. **Form of the Bonds.**

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE TOWN, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$_____

TOWN OF HICKORY CREEK, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2017
(HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT
NO. 1)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____ %	September 1, []	September 6, 2017	_____

The Town of Hickory Creek, Texas (the "*Town*"), for value received, hereby promises to pay, solely from the Pledged Revenues, to

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing March 1, 2018.

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 Dallas, Texas (the "*Designated Payment/Transfer Office*"), of U.S. Bank National Association, as trustee and paying agent/registrant (the "*Trustee*"), 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 Business 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 Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five 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 Town 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 Town having the designation specified in its title (herein referred to as the "Bonds"), dated as of the Date of Delivery and issued in the aggregate principal amount of \$[4,135,000] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of August 15, 2017 (the "*Indenture*"), by and between the Town 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 Town, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying or reimbursing for all or a portion of the Costs, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the District, and (iv) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the Town payable solely from the Pledged Revenues. 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 Town, 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.

IN THE INDENTURE, THE TOWN HAS RESERVED THE RIGHT to issue Refunding Bonds payable from and secured by a lien on and pledge of the sources described above on a parity with this Bond.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the Town 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 denominations of \$25,000 and any multiple of \$5,000 in excess thereof ("*Authorized Denominations*"). The Town prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$25,000, and any attempt to do so will be void and of no effect.

The Bonds maturing on September 1 in the years [] (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the Town in part a redemption 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 Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds maturing September 1, []

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
------------------------	---------------------------------

* Stated Maturity.

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installments of such Term Bonds to be redeemed, shall call such Term 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 Term Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the Town, by the principal amount of any Term Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the Town at a price not exceeding the principal amount of such Term Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Term Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the

principal amount of any Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The Town reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after [], [], such redemption date or dates to be fixed by the Town, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on the fifteenth day of any month, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The Town has the right to rescind any optional redemption or extraordinary optional redemption described in the Indenture 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.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Town 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 Town 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, 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 Town 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 Town, 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 Town nor the Trustee shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE TOWN, DENTON COUNTY, TEXAS OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the Town, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town Council of the Town has caused this Bond to be executed under the official seal of the Town.

Town Secretary

Mayor

[TOWN 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, 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 and address, including 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 register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

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

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

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

Years	Principal Installments	Interest Rates"
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(Information to be inserted from Section 3.2(b)); and

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

Section 5.3. CUSIP Registration.

The Town may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the Town, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Any redemption notice may include a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the Town nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the Town Secretary of the Town, which may be executed in facsimile.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

(i) The following Accounts are hereby created and established under the Bond Fund:

- (A) Principal and Interest Account.

(ii) The following Accounts are hereby created and established under the Reserve Fund:

(A) Reserve Account; and

(B) Delinquency and Prepayment Reserve Account; and

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

(A) Improvement Account; and

(B) Costs of Issuance Account.

(iv) The following Account is hereby created and established under the Pledged Revenue Fund:

(A) Bond Pledged Revenue Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the Town. 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. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(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 Reserve Account of the Reserve Fund: \$ [], which is equal to the initial Reserve Account Requirement;

(ii) to the Delinquency and Prepayment Reserve Account of the Reserve Fund: \$[] which amount is equal to the Delinquency and Prepayment Reserve Account Requirement;

(ii) to the Costs of Issuance Account of the Project Fund: \$ []; and

(iii) to the Improvement Account of the Project Fund: \$ [].

Section 6.3. **Pledged Revenue Fund.**

(a) Immediately upon receipt thereof, the Town shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments (other than the portion of the Annual Installments allocated to the payment of Administrative Expenses, and Delinquent Collection Costs, which shall be deposited to the Administrative Fund pursuant to Section 6.9 hereof), as set forth in the Service and Assessment Plan. Specifically, the Town shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, and (iii) third, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, if any funds remain on deposit in the Pledged Revenue Fund after the deposits required by (i) and (ii) above are made, the Town shall have the option, in its sole and absolute discretion, to deposit such excess funds into the Redemption Fund to redeem Bonds as provided in Article IV. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in Section 6.7 hereof and, immediately following the initial deposit to the Pledged Revenue Fund, the Additional Interest will be deposited into the Delinquency and Prepayment Reserve Account. In addition, in the event the Town owes Rebatale Arbitrage to the United States Government pursuant to Section 6.8 hereof, the Town shall cause the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebatale Arbitrage owed by the Town, as further described in Section 6.10(f) hereof. Along with each transfer to the Trustee, the Town shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

(b) From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account 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, 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 transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund as follows. After deposit of Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first into the Reserve Account if the Reserve Account does not contain the

Reserve Account Requirement and if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the Town, which monies 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.

(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 pursuant to Section 6.7(f). Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more Town Certificates. Disbursements from the Improvement Account of the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. All disbursements of funds pursuant to a Certificate for Payment shall be made from the Improvement Account. Each such Town Certificate shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such Town Certificate or in the invoices submitted therewith and the Trustee is entitled to rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) Money on deposit in the Project Fund shall be used solely to pay Costs.

(d) After completion of all transfers, the Improvement Account of the Project Fund shall be closed.

(e) In making any determination pursuant to this Section, the Town Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(f) Upon a determination by the Town 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 the Principal and Interest Account and used to pay interest on the Bonds, as directed in a Town Certificate filed with the Trustee.

Section 6.6. Redemption Fund.

The Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The Town agrees with the Owners of the Bonds to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(b) Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 2018, an amount equal to the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been met. If the Delinquency and Prepayment Reserve Account contains the Delinquency and Prepayment Reserve Requirement, but the Reserve Account does not contain the Reserve Account Requirement, deposits of Additional Interest shall be made to the Reserve Account until it contains the Reserve Account Requirement. Collection of the Additional Interest may cease until such time that the Reserve Account or the Delinquency and Prepayment Reserve Account again has less than the Reserve Account Requirement or Delinquency and Prepayment Reserve Requirement, respectively. In calculating the amounts to be transferred pursuant to this Section, the Trustee is entitled to conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan unless it receives a Town Order specifying that a different amount be used.

(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 Town, specifying the amount withdrawn and the source or account of said funds.

(c) In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4, the Trustee, pursuant to written directions from the Town, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds 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 Delinquency and Prepayment 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 request of a Town Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the Town 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, unless within thirty days of such notice to the Town Representative, the Trustee receives a Town Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof or (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the Town Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the Town of the amount of the excess, and such excess shall be transferred, at the direction of the Town pursuant to a Town Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund. In the event that the Trustee does not receive a Town Order directing the transfer of such excess to the Administrative Fund within 45 days of providing notice to the Town of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof.

(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 Delinquency and Prepayment Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. Additional Interest shall be used to replenish first the Delinquency and Prepayment Reserve Account of the Reserve Fund and second the Reserve Account of the Reserve Fund.

(g) Reserved.

(h) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds.

(i) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(j) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds on the next date the Bonds may be optionally redeemed by the Town at a redemption price of par, together with the unpaid interest accrued on such Bonds as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is 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. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) In order to assure that Rebatable Arbitrage 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 shall not be liable or responsible if it follows the instructions of the Town and shall not be required to take any action under this Section in the absence of instructions from the Town.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the Town may direct the Trustee, pursuant to a Town Order, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. Administrative Fund.

(a) Immediately upon receipt thereof, the Town shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Administrative Expenses, and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a Town Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10.

Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Fund, shall be invested by the Trustee as directed by the Town pursuant to a Town Order filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the Town pursuant to a Town Order filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such Town Order shall be a certification, upon which the Trustee is entitled to conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts 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 or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default under this Indenture. To ensure that cash on hand is invested, if the Town does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee may invest cash balances in investments authorized and 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, so long as such investments constitute Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the Town to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the 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 to the Town, upon the Town's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Town. Upon the Town's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Town waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Town further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the Town owes Rebatale Arbitrage to the United States Government, the Town shall direct the Trustee, pursuant to a Town Order, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatale Arbitrage owed by the Town. The Town Order shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

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 Town hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the Assessed Property from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding, the Town covenants, agrees and warrants that it will take and pursue all reasonable 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) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of, the Town to the affected property owners on the same statement or such other mechanism that is used by the Town, 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 Town.

(c) The Town 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 Town 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 Town shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding particular Assessed Property.

(d) The Town shall not be required under any circumstances to expend any funds for Delinquent Collection Costs or Administrative Expenses in connection with its covenants and agreements under this Section or otherwise other than funds on deposit in the Administrative Fund.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the Town shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues or upon any other property pledged under 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 Town shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding 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 Town hereby covenants and agrees that so long as any Bonds are Outstanding, 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 Town by the Trustee or duly authorized representative, as applicable. The Town shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the Town's regular business hours and on a mutually agreeable date not later than thirty days after the Town receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) The Town covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Town covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Town, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of an advance refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds is issued, and in the case of a current refunding bond, for a period of 90 days or less,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) In order to facilitate compliance with the above covenant (a)(8), the Rebate Fund is established by the Town pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The Town understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Town that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the Town will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the Town agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Town hereby authorizes and directs the Mayor to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Town, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The Town covenants to account for the expenditure of sale proceeds and investment earnings to be used for Costs on its books and records in accordance with the requirements of the Code. The Town recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18

months of the later of the date that (1) the expenditure is made, or (2) the Authorized Improvements are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Town recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The Town agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the Town shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The Town covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Town of cash or other compensation, unless the Town obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Town shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF TOWN

Section 8.1. Liability of Town.

(a) Neither the full faith and credit nor the general taxing power of the Town is pledged to the payment of the Bonds, and no Town taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds or any other obligations relating to the District. The Town shall never be liable for any obligations relating to the Bonds or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The Town 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 Town 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 Town 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.

(c) In the absence of bad faith, the Town 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 Town and conforming to the requirements of this Indenture. The Town 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.

(d) 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 (collectively, the "*Bond Documents*"), shall require the Town to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues) 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 Town there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the Town or any of its officers, officials, agents, or employees for damages suffered as a result of the Town'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 Town, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Pledged Revenues. 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 Town 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.

(f) The Town 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 Town 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 Town 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 Town, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or Town Manager or other person designated by the Town Council to so act on behalf of the Town, and such certificate shall be full warrant to the Town for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the Town may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the Town may employ such persons or entities as it deems necessary or advisable. The Town 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. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree.

(b) The Trustee is hereby designated and agrees to act also in the capacity as Paying Agent/Registrar for and in respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers when directed in writing and required hereunder, or to deliver any notice when directed in writing and required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else proper to be done by it as the Trustee, and in such case the Trustee may make transfers from the Pledged Revenue Fund and 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.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the Town and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by the Trustee as consideration for serving in its capacity as Trustee; (iii) the application of any moneys paid to the Town or others in accordance with this Indenture, except as to the application of any moneys paid to the Trustee as consideration for serving in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable for the performance of such duties and obligations as are specifically set forth in this Indenture, except for the Trustee's own negligence or willful misconduct. The Trustee will, prior to any Event of Default and after curing

of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence or any actions or matters related to the District.

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.

(a) The Trustee is entitled to 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, the validity thereof, or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) 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 Town Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such Town Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but 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 Town to the Trustee shall be sufficiently executed if executed in the name of the Town by the Town Representative.

(c) 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.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, from time to time, the previously agreed upon schedule of compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, all pursuant to a Town Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such Town Order, 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 there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the Town shall fail to make any payment required by this Section, the Trustee is entitled to 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 Town 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 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 60 days' notice, specifying the date when such resignation shall take effect, to the Town and each Owner of any Outstanding Bond. Such resignation shall take effect upon the date provided in such notice.

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 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 Town, or (ii) so long as the Town is not in default under this Indenture, the Town. Copies of each such instrument shall be delivered by the Town 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 Town or the Owners of not less than 10% of the Bonds.

Section 9.10. Successor Trustee.

(a) 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.

(b) 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 25% 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 Town.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the Town shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the Town providing for any such appointment shall be delivered by the Town to the Trustee so appointed. The Town 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 Town immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

(c) 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 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 Town shall be responsible for the costs of such appointment process.

(e) 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.

(f) 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 Town 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 Town 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 Town 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 Town.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee To File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed, at the Town's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC. The Trustee is not responsible for the initial filing of any financing statements.

Section 9.14. Accounts, Periodic Reports and Certificates.

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

Section 9.15. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the Town 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 the Bonds of at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding and Town approval of such modification or amendment. 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 Town 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 Town 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 shall not modify any of the rights or obligations of the Trustee without its prior written consent.

(b) This Indenture and the rights and obligations of the Town 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 anyone or more of the following purposes:

(i) to add to the covenants and agreements of the Town 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 Town;

(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 Town and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds; and

(iv) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Section 10.2. Owners' Meetings.

The Town may at any time call a meeting of the Owners of the Bonds. In such event the Town 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.

(a) The Town 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, 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, if such consent is required pursuant to Section 10.1, 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.

(b) 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. 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.

(c) After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the Town 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 Town 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. Procedure for Amendment Not Requiring Owner Consent.

(a) The Town 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, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, shall be mailed by first class mail by the Trustee to each Owner of

Bonds, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the Town, and the Supplemental Indenture shall be deemed conclusively binding upon the Town, the Trustee and the Owners of all Bonds as of the date of such execution and delivery.

Section 10.5. 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 Town, 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 10.6. Endorsement or Replacement of Bonds Issued After Amendments.

The Town 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 Town, 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 Town may select and designate for that purpose, a suitable notation shall be made on such Bond. The Town may determine that new Bonds, so modified as in the opinion of the Town 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 10.7. 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 10.8. Waiver of Default.

With the written consent of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the Town with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel

addressed and delivered to the Trustee and the Town stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the Town to deposit the Pledged Revenues to the Pledged Revenue Fund;

(ii) The failure of the Town to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2; and

(iii) Default in the performance or observance of any covenant, agreement or obligation of the Town under this Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the Town by the Trustee, which shall give such notice at the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the Town shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the Town within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice.

(iv) 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 thereafter.

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, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding hereunder shall proceed, to protect and enforce 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 Town may be sought or shall be permitted.

(b) PURSUANT TO SECTION 11.7, 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 Town shall determine, in its absolute discretion, and shall instruct the Trustee by Town 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 Town shall fail to deliver to the Trustee such Town Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and the Trustee shall not be liable to any Owner, or other Person, or the Town by reason of the following selection process, 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 shall 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, according to the following method and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. The Trustee shall sell Trust Estate assets, according the certified appraisal value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the Outstanding Bonds. 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 Town, 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 Town 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 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 received prior notice in writing as provided in Section 11.1, (ii) such default has become an Event of Default and the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee directing the Trustee 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, (iv) the Trustee has for 60 days after such prior written 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 60-day period by the Owners of not less than fifty-one percent (51%) 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 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 Town 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 of Bonds 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 of Bonds, then and in every such case the Town, the Trustee and the Owners of Bonds shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2, be applied by the Trustee, on behalf of the Town, 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 thirty (30) days of receipt of such good and available funds, the Trustee, at the direction of the Town, shall fix a record date and a payment date for any payment to be made to Owners of Bonds 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 Town to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the Town 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, 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 Town 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 Town 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 Town 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 Town 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) Subject to Section 7.2(d), the Town 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.

Section 12.2. General.

The Town 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 Town under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. **Further Assurances; Due Performance.**

(a) At any and all times the Town 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 Town will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. **Other Obligations or Other Liens; Refunding Bonds.**

(a) The Town reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the Town 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 done or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; 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 Town 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 counsel to the Trustee, the same would endanger the security for the Bonds.

(c) Notwithstanding any contrary provision of this Indenture, the Town 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 Town reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State.

Section 13.3. **Books of Record.**

(a) The Town 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 dealings, business and affairs of the Town, 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.

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 Town 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 Town 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 Town 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 Town may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the 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 Town.

Section 14.3. Bonds Deemed Paid.

(a) Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for. 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 by the Town

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.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Town expressly reserves the right to call the Defeased Debt for redemption; (2) the Town gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the Town directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the Town satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

(c) Until all Defeased Debt shall have become due and payable, the Trustee and the Paying Agent/Registrar each shall perform the services of Trustee and Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the Town shall make proper arrangements to provide and pay for such services as required by this Indenture.

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 Town, 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 Town 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 Town 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 Town 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.

(a) 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.

(b) Except as otherwise expressly provided herein, 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.

(c) 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.

(d) 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 Town or the Trustee in good faith and in accordance therewith.

Section 15.4. No Waiver of Personal Liability.

No member, officer, agent, or employee of the Town 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 Town and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the Town

Town of Hickory Creek, Texas
Attn: Town Administrator
1075 Ronald Reagan Avenue
Hickory Creek, TX 75065

with a copy to:

McCall, Parkhurst & Horton LLP
Attn: Jeff Gulbas
717 North Harwood, Suite 900
Dallas, Texas 75201

If to the Trustee
Or the Paying Agent/Registrar

U.S. Bank National Association
Attn: Israel Lugo
13737 Noel Road, Suite 800
Dallas, Texas 75240

with a copy to:

Norton Rose Fulbright US LLP
Attn: Clay Binford
300 Convent Street; Suite 2100
San Antonio, Texas 78205

(b) 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.

(c) 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.

(d) The Trustee shall mail to each Owner of a Bond notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Bonds Outstanding.

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 Town 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 anyone 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 applicable to contracts made and performed in the State.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next

succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

[Remainder of page left blank intentionally]

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

TOWN OF HICKORY CREEK, TEXAS

By: _____
Mayor

Attest:

Town Secretary

(TOWN SEAL)

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

CERTIFICATE FOR PAYMENT

The undersigned is an agent for CTMGT Turbeville, LLC (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from the Improvement Account of the Project Fund from _____ (the "Trustee") in the amount of _____ (\$_____) to be transferred from the Improvement Account of the Project Fund upon the delivery of the Bonds for costs incurred in the establishment, administration, and operation of the Town of Hickory Creek, Texas Public Improvement District No. 1 (the "District") and costs incurred for the creation, acquisition and construction of the Authorized Improvements, as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the Town and the Trustee dated as of _____, 20__ relating to the "TOWN OF HICKORY CREEK, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017 (HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1)" (the "Indenture").

In connection to the above referenced payment, the Developer represents and warrants to the Town as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds have not been the subject of any prior payment request submitted to the Town. The payment requested for the below referenced Authorized Improvements has not been the subject of any prior payment request submitted for the same work to the Town or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the below costs is a true and accurate representation of the costs associated with the establishment, administration and operation of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan. The amount listed for the Authorized Improvements below is a true and accurate representation of the actual Costs associated with the creation, acquisition, or construction of said Authorized Improvements, and such costs (i) are in compliance with the Reimbursement Agreement, and (ii) are consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Indenture, the Developer Continuing Disclosure Agreement and the Service and Assessment Plan.

5. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.

6. The work with respect to the Authorized Improvements referenced below (or its completed segment) has been completed, and the Town has inspected such Authorized Improvements (or its completed segment).

7. The Developer agrees to cooperate with the Town in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the Town to complete said review.

Payments requested hereunder shall be made as directed below:

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for Town construction projects.

[Information regarding Payee, amount, and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

CTMGT Turbeville, LLC

By: _____

Name: _____

Title: _____

APPROVAL OF REQUEST BY TOWN

The Town is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the Town approves the Certificate for Payment and shall include said payments in the Town Certificate (as defined in the Bond Indenture) submitted to the Trustee directing payments to be made from the applicable account upon delivery of the Bonds.

TOWN OF HICKORY CREEK, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B

BOND PURCHASE AGREEMENT

See Attached

\$4,140,000
TOWN OF HICKORY CREEK, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017
(HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1)

BOND PURCHASE AGREEMENT

August 15, 2017

Town of Hickory Creek, Texas
1075 Ronald Reagan Drive
Hickory Creek, Texas 75065

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the Town of Hickory Creek, Texas (the “Town”), which will be binding upon the Town and the Underwriter upon the acceptance of this Agreement by the Town. This offer is made subject to its acceptance by the Town 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 Town at any time prior to the acceptance hereof by the Town. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (defined herein) between the Town and U.S. Bank National Association, as trustee (the “Trustee”), authorizing the issuance of the Bonds (defined herein), and in the Official Statement (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 Town, and the Town hereby agrees to sell to the Underwriter, all (but not less than all) of the \$4,140,000 aggregate principal amount of the “Town of Hickory Creek, Texas Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1)” (the “Bonds”), at a purchase price of \$4,032,145.35 (representing the aggregate principal amount of the Bonds, plus a premium of \$16,345.35, less an Underwriter’s discount of \$124,200.00).

Inasmuch as this purchase and sale represents a negotiated transaction, the Town understands, and hereby confirms, that the Underwriter is not acting as a municipal advisor or fiduciary of the Town (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 Town 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 Town and the Underwriter, (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 Town, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Town 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 Town on other matters) and the Underwriter has no obligation to the Town with respect to the offering described herein except the obligations expressly set forth in this Agreement, (iv) the Town has consulted its own legal, financial and other advisors to the extent it have deemed appropriate, (v) the Underwriter has financial and other interests that differ from those of the Issuer and (vi) the Underwriter has provided to the Town prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB"), which have been received by the Town.

Submitted herewith is a completed and notarized Form 1295 for the Underwriter 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 Town hereby confirms receipt of a Form 1295 from the Underwriter and agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the date of receipt of such form. The Underwriter and the Town understand and agree that, with the exception of information identifying the Town and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295 and neither the Issuer nor its consultants have verified such information.

The Bonds shall be dated the date of their issuance and delivery and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on September 6, 2017 (or such other date as may be agreed to by the Town and the Underwriter) (the "Closing Date").

2. Authorization Instruments and Law. The Bonds were authorized by Ordinance No. 2017-08-769 enacted by the Town Council of the Town (the "Town Council") on August 15, 2017 (the "Bond Ordinance") and shall be issued pursuant to the provisions of Subchapter A of Chapter 372, Texas Local Government Code, as amended, (the "Act"), and the Indenture of Trust, dated as of August 15, 2017 between the Town 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 Pledged Revenues, consisting primarily of the proceeds of special assessments (the "Assessments") levied on the assessable parcels within the Hickory Creek Public Improvement District No. 1 (the "PID") pursuant to Ordinance No. 2012-04-682 adopted by the Town Council on April 24, 2012 (the "Assessment Ordinance"). The PID was established by Resolution No. 2012-0327-1 (the "Creation Resolution"), enacted by the Town Council on March 27, 2012, in accordance with the Act. A Service and Assessment Plan, dated April 24, 2012, as updated, amended, supplemented, or

restated, which sets forth the costs of the Authorized Improvements and the method of payment of the Assessments was adopted by the Town Council on April 24, 2012, pursuant to Resolution No. 2012-04-682 (the “Service and Assessment Plan”, and together with the Creation Resolution, the Assessment Ordinance, 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 Official Statement. The proceeds of the Bonds shall be used to provide funds for (i) paying or reimbursing all or a portion of the costs of the Authorized Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the PID, and (iv) paying the costs of issuance of the Bonds.

3. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not to exceed the public offering prices set forth on the inside cover page of the Official Statement and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices (or yields higher than the public offering yields) stated on the inside cover page of the Official Statement. The Underwriter shall disclose to the Town and its financial advisor any offering prices different from the initial offering prices stated on the inside cover page of the Official Statement.

4. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town 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 A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Town and Bond Counsel (hereinafter defined), 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 Town under this Section to establish the issue price of the Bonds may be taken on behalf of the Town by the Town’s Financial Advisor identified herein and any notice or report to be provided to the Town may be provided to the Town’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 Town in Appendix A attached hereto 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 Town in Appendix A attached hereto 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 Town and the Underwriter agree that the restrictions set forth in the next sentence shall apply to those maturities of the Bonds for which the 10% Test has not been met as of the date of this Agreement, which will allow the Town to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriters have 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 Town 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 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 required by Treasury Department Regulation TD 9801. The Town 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 Town 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 Town (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 (A) 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), (B) 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 (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Agreement by all parties.

5. Official Statement.

(a) Delivery of Official Statement. The Town has previously delivered, or caused to be delivered, to the Underwriter the Preliminary Official Statement for the Bonds dated August 10, 2017 (the “Preliminary Official Statement”), in a “designated electronic format,” as defined in MSRB Rule G-32 (“Rule G-32”). The Town will prepare, or cause to be prepared, a final Official Statement relating to the Bonds (the “Official Statement”) 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 Official Statement provided to the Underwriter before the execution hereof. The Official Statement, 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 “Official Statement.” Until the Official Statement has been prepared and is available for

distribution, the Town shall provide to the Underwriter sufficient quantities (which may be in electronic format) of the Preliminary Official Statement 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 Official Statement.

(b) Preliminary Official Statement Deemed Final. The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale, and distribution of the Bonds. The Town hereby represents and warrants that the Preliminary Official Statement has been deemed final by the Town 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 Official Statement in Offering and Sale. The Town hereby authorizes the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Town consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Town shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Town'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 Town's acceptance of this Agreement) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter. The Town shall provide the Official Statement, or cause the Official Statement 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 Official Statement. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide an Official Statement 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 Official Statement 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 Town becomes aware of any fact or event which might or would cause the Official Statement, 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 Official Statement to comply with law, the Town 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 Official Statement, the Town will forthwith prepare and furnish, at the Town's own expense, (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Official Statement 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 Official Statement will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the Town in accordance herewith, the Town makes no representations with respect to (i) the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York (“DTC”), or its book-entry-only system, and (ii) the information in the Preliminary Official Statement or the Official Statement under the captions and subcaptions “PLAN OF FINANCE — Completed Development,” “THE DEVELOPMENT” (except for the information under the subcaptions “ – Assessments in the District” and “ – Assessed Value in the District”), “THE DEVELOPER,” “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation – The Developer,” “UNDERWRITING,” and “INFORMATION RELATING TO THE TRUSTEE.” If such notification shall be subsequent to the Closing, the Town, at the Town’s own expense, 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 Official Statement. The Town 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 Official Statement 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 Town can assume that the “end of the underwriting period” for purposes of Rule 15c2-12 is the Closing Date.

6. Town Representations, Warranties and Covenants. The Town represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority. The Town 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; and

(3) the Continuing Disclosure Agreement with respect to the Bonds, dated August 15, 2017 (the “Continuing Disclosure Agreement”), between the Town and FSC Continuing Disclosure Services, a Division of Hilltop Securities, Inc., as Dissemination Agent; and

(ii) to issue, sell, and deliver the Bonds to the Underwriter as provided herein; and

(iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Continuing Disclosure Agreement, (4) the Official Statement, and (5) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (5) being referred to collectively herein as, the “Town Documents”).

(b) Due Authorization and Approval of Town. By all necessary official action of the Town, the Town has duly authorized and approved the adoption or execution and delivery by the Town of, and the performance by the Town of the obligations on its part contained in, the Town 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 Town Documents will constitute the legally valid and binding obligations of the Town enforceable upon the Town in accordance with their respective terms, except insofar as enforcement may be limited by principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors’ rights generally. The Town 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 Town Documents.

(c) Due Authorization for Issuance of the Bonds. The Town has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The Town 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 Town 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 Town described by the Town 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 Town is not, and as of the Closing Date the Town 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 Town 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 Town’s ability to perform its obligations under the Bonds or the Town Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the Town Documents and compliance by the Town 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 Town (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 Town 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 Town with respect to which the Town has been served with process, nor to the knowledge of the Town is any Action threatened against the Town, in which any such Action (i) in any way questions the existence of the Town or the rights of the members of the Town Council to hold their respective positions, (ii) in any way questions the formation or existence of the PID, (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 Town Documents or the consummation of the transactions on the part of the Town 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 Town; and, as of the time of acceptance hereof, to the Town’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 Town 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 Town subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the Trust Estate, consisting primarily of the Pledged Revenues, 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) Trust Estate. The Assessments constituting the security for the Bonds have been levied by the Town in accordance with the Act on those parcels of land identified in the Assessment Roll. 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 Town of, its obligations in connection with the Town 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 Town 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) Information Provided to Underwriter. The Town, to the extent requested, in writing by the Underwriter, has delivered to the Underwriter true, correct, complete, and legible copies of all information, applications, reports, or other documents of any nature whatsoever submitted to any rating agency for the purpose of obtaining a rating for the Bonds or to any municipal bond insurance company for the purpose of obtaining a commitment to issue a municipal bond insurance policy insuring payment of the principal or and interest on the Bonds and, in each instance, true, correct, complete, and legible copies of all correspondence or other communications relating, directly or indirectly, thereto;

(k) Preliminary Official Statement. The information contained in the Preliminary Official Statement 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 Town makes no representations with respect to (i) the description of The Depository Trust Company, New York, New York (“DTC”), or its book-entry-only system, and (ii) the information under the captions and subcaptions “PLAN OF FINANCE — Completed Development,” “THE DEVELOPMENT” (except for the information under the subcaptions “ – Assessments in the District” and “ – Assessed Value in the District”), “THE DEVELOPER,” “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation – The Developer,” “UNDERWRITING,” and “INFORMATION RELATING TO THE TRUSTEE.”

(l) Official Statement. At the time of the Town’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to Section 5(d) 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 Official Statement 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 Town makes no representations with respect to (i) the description of DTC, or its book-entry-only system, and (ii) the information under the captions and subcaptions “PLAN OF FINANCE — Completed Development,” “THE DEVELOPMENT” (except for the information under the subcaptions “ – Assessments in the District” and “ – Assessed Value in the District”), “THE DEVELOPER,” “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation – The Developer,” “UNDERWRITING,” and “INFORMATION RELATING TO THE TRUSTEE.”

(m) Supplements or Amendments to Official Statement. If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 5 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the 25th day subsequent to the “end of the underwriting period,” the Official Statement 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 Town notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Official Statement, then the Official Statement in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

(n) Compliance with Rule 15c2-12. During the past five years, the Town has complied in all material respects with its previous continuing disclosure undertaking made by it in accordance with Rule 15c2-12, except as described in the Official Statement.

(o) Use of Bond Proceeds. The Town 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.

(p) Blue Sky and Securities Laws and Regulations. The Town 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 Town, (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 Town 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 Town 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.

(q) Certificates of the Town. Any certificate signed by any official of the Town authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and warranty, as applicable in the legal context, by the Town to the Underwriter as to the statements made therein and can be relied upon by the Underwriter as to the statements made therein.

(r) Intentional Actions Regarding Representations and Warranties. The Town 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.

(s) Financial Advisor. The Town has engaged Hilltop Securities Inc. as its financial advisor in connection with its offering and issuance of the Bonds.

By delivering the Official Statement to the Underwriter, the Town shall be deemed to have reaffirmed, with respect to the Official Statement, the representations, warranties and covenants set forth above with respect to the Preliminary Official Statement.

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 Town and the Underwriter, (i) the Town 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 Town and authenticated by the Trustee as provided in the Indenture, and (ii) the Town will deliver the closing documents hereinafter mentioned to McCall, Parkhurst & Horton L.L.P. (“Bond Counsel”), or a place to be mutually agreed upon by the Town 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 Town 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 Town of its obligations under this Agreement 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 Town 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 Town. The representations and covenants of the Town 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 Town 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) there shall be in full force and effect such other resolutions or actions of the Town 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 Town described in this Agreement and the Town Documents; (iii) there shall be in full force and effect such other resolutions or actions of the Developer as, in the opinion of Miklos Law, PLLC, counsel to the Developer (“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 Official Statement, and (iv) the Town shall perform or have performed their respective obligations required or specified in the Town 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, or any other Town Document.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 9 below.

(e) Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the Town if, between the date of this Agreement and the Closing, in the Underwriter’s sole and reasonable judgment, the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by the occurrence of any of the following:

(i) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either House thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation, or official statement (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the Town 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 Official Statement; or

(ii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or that the Indenture need to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"); or

(iii) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; or

(iv) there shall have occurred 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 Official Statement; or

(v) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Town, except as disclosed in or contemplated by the Official Statement; or

(vi) 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

(vii) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Town, 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

(viii) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(ix) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement 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

(x) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to Official Statement; or

(xi) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(xii) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(xiii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the 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 Official Statement, 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

(xiv) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof

and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

With respect to the conditions described in subparagraphs (viii), (xiii) and (xiv) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

9. Closing Documents. At or prior to the Closing, the Underwriter shall receive the following documents:

(a) Bond Opinion. The opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix D to the Official Statement, 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 Town 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 Official Statement but that Bond Counsel has reviewed the statements and information appearing under the captions and subcaptions “PLAN OF FINANCE — The Bonds”, “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS”, “ASSESSMENT PROCURES” (except for the subcaptions “Assessment Methodology” and “Assessment Collections”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings,” “LEGAL MATTERS — Legal Opinions,” “SUITABILITY FOR INVESTMENT,” “CONTINUING DISCLOSURE” (except for the subcaption “Compliance with Prior Undertakings”), “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” “INVESTMENTS,” and APPENDIX B and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance 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 Town 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 “Town Actions”) and perform its obligations thereunder and the Town Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and the Town Documents have been duly authorized, executed and delivered by the Town 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 Town, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors’ rights, or by the application of equitable principles if equitable remedies are sought and to the application of Texas law relating to governmental immunity applicable to governmental entities.

(c) Town Legal Opinion. An opinion of Hayes, Berry, White & Vanzant, L.L.P., Counsel for the Town, dated the Closing Date and addressed to the Town, the Underwriter and the Trustee, with respect to matters relating to the Town, substantially in the form of Appendix B hereto or in form otherwise agreed upon by the Underwriter.

(d) Developer’s Counsel Opinion. An opinion of Developer’s Counsel, dated the Closing Date and addressed to the Developer, the Town, Bond Counsel, Counsel for the Town, the Underwriter and the Trustee, with respect to matters relating to the Developer and the Development, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Town and the Underwriter.

(e) Trustee Counsel Opinion. An opinion of Norton Rose Fulbright US LLP, Counsel to the Trustee, dated the Closing Date and addressed to the Trustee, the Town, the Underwriter and Bond Counsel, as to the Trustee’s due organization and existence, authority and requisite power to enter into the Indenture and perform its obligations thereunder, and substantially to the effect that the Indenture is a binding obligation of the Trustee enforceable in accordance with its terms.

(f) Town Certificate. A certificate of the Town, dated the Closing Date, to the effect that:

(i) the representations and warranties of the Town contained herein and in the Town 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 Town Documents are in full force and effect and have not been amended, modified, or supplemented;

(iii) except as disclosed in the Official Statement, no litigation or proceeding against the Town 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 Town to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Town or the establishment of the PID, (c) contest the validity, due

authorization and execution of the Bonds or the Town Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the Town from levying and collecting the Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof;

(iv) the Town has, to such person's knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the Town Documents, on its part to be complied with or satisfied hereunder at or prior to the Closing; and

(v) the Town agrees to take all reasonable action necessary to collect the Pledged Revenues as described in the Indenture.

(g) Developer Certificate The certificate of the Developer dated as of the Closing Date, signed by authorized officers of Developer in substantially the form of Appendix D hereto.

(h) 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, 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.

(i) Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Andrews Kurth Kenyon LLP, counsel to the Underwriter, to the effect that:

(i) based on (A) such counsel's review of the Bond Ordinance, the Indenture, and the Official Statement; (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 United States Securities and Exchange Commission relating thereto; (B) its review of the continuing disclosure undertaking of the Town contained in the Continuing Disclosure Agreement; and (C) the inclusion in the Official Statement of a description of the specifics of such undertaking, and assuming that the Bond Ordinance, the Indenture, and the Continuing Disclosure Agreement have been duly adopted by the Town and are in full force and effect, such undertaking provides a suitable basis for the Underwriter, to make a reasonable determination that the Town 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 Preliminary Official Statement and the Official Statement, it has participated in the preparation of the Preliminary Official Statement and the Official Statement and without independent verification, no facts came to its attention that caused it to believe that the Preliminary Official Statement and the Official Statement (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.

(j) Official Statement. The Official Statement and each supplement or amendment, if any, thereto.

(k) Delivery of Town Documents. The Town Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

(l) Form 8038. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

(m) Federal Tax Certificate. A certificate of the Town in form and substance satisfactory to Bond Counsel and counsel to the Underwriter setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code.

(n) Attorney General Opinion and Comptroller Registration. The approving opinion of the Attorney General of the State regarding the Bonds and the Comptroller of the State's Certificate of Registration for the Initial Bond.

(o) Continuing Disclosure Agreement. The Continuing Disclosure Agreement shall have been executed by the parties in substantially the form attached to the Preliminary Official Statement as Appendix E.

(p) Letter of Representation of PID Administrator. Letter of Representation of PID Administrator, substantially in the form of Appendix E hereto, addressed to the Town, Bond Counsel, and the Underwriter, or in form otherwise agreed upon by the Underwriter.

(q) Evidence of Filing of Creation Resolution and Assessment Ordinance. Evidence that (i) the Creation Resolution, including legal description of the PID by metes and bounds, and (ii) the Assessment Ordinance, including the assessment rolls and a statement indicating the contact for and address of where a copy of the Service and Assessment Plan, and any updates thereto, may be obtained or viewed, have been filed or recorded in the real property records of Denton County, Texas.

(r) Evidence of Ownership of Property. Evidence that on the date that the Assessment Ordinance was adopted all of the Assessed Property 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.

(s) Rule 15c2-12 Certification. A resolution or certificate of the Town whereby the Town has deemed the Preliminary Official Statement final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the offering of the Bonds.

(t) Rating. Evidence of a rating assigned to the Bonds of “BBB-” by S&P Global Ratings, a division of S&P Global, Inc., and that such rating is in effect as of the date of the Closing.

(u) Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or their counsel may reasonably deem necessary.

10. Town’s Closing Conditions. The obligation of the Town 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. Consequences of Termination. If the Town 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 neither the Underwriter nor the Town shall have any further obligation hereunder, except as further set forth in Sections 12, 14 and 15 hereof.

12. Costs and Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Town shall cause to be paid from proceeds of the Bonds the following expenses incident to the

issuance of the Bonds and performance of the Town'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 Official Statement, the final Official Statement and any supplements and amendments thereto, and any other rating fees; (iii) the fees and disbursements of the Town's financial advisor, the Trustee's counsel, Bond Counsel, Counsel to the Town, 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 Town, including but not limited to the fees and expenses of the PID Administrator, and (vi) the expenses incurred by or on behalf of Town employees and representatives that are incidental to the issuance of the Bonds and the performance by the Town of its obligations under this Agreement.

(b) The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the limited offering of the Bonds; (ii) fees of Underwriter's Counsel; and (iii) all other expenses, including CUSIP fees (including out-of-pocket expenses and related regulatory expenses), incurred by it in connection with its public offering and distribution of the Bonds, except as noted in Subsection 12(a) above.

(c) The Town acknowledges that the Underwriter will pay from the Underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a nonprofit corporation ("Texas MAC") whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities. The estimated Texas MAC fee for this financing is \$814.00.

13. Notice. Any notice or other communication to be given to the Town under this Agreement may be given by delivering the same in writing to: Town of Hickory Creek, Texas, 1075 Ronald Reagan Drive, Hickory Creek, Texas 75065, Attention: Town Administrator.

Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: FMSbonds, Inc., 100 Crescent Court, Suite 700, Dallas, Texas 75201, Attention: Tripp Davenport, Director.

14. Parties in Interest; Survival of Representations. This Agreement is made solely for the benefit of the Town 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 Town'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 Town 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 covenants contained in this Section shall survive any termination of this Agreement.

15. 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.

16. 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.

17. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Texas.

18. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter or the Town without the prior written consent of the other parties hereto.

19. No Personal Liability. None of the members of the Town Council, nor any officer, representative, agent, or employee of the Town, 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.

[Signature page follows.]

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.

Town of Hickory Creek, Texas

By: _____
Mayor

SCHEDULE I

\$4,140,000

TOWN OF HICKORY CREEK, TEXAS

(a municipal corporation of the State of Texas located in Denton County)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017

(HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1)

\$925,000 Serial Bonds^(a)

<u>Due (September 1)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Initial Yield (%)</u>
2018	\$ 80,000	3.000%	1.750%
2019	85,000	3.000%	2.000%
2020	85,000	3.000%	2.200%
2021	90,000	3.000%	2.400%
2022	90,000	3.000%	2.570%
2023	95,000	3.000%	2.770%
2024	95,000	3.000%	2.900%
2025	100,000	3.500%	3.050%
2026	100,000	3.500%	3.230%
2027	105,000	3.500%	3.400%

\$3,245,000 Term Bonds

\$595,000 3.750% Term Bonds, Due September 1, 2032, Priced to Yield 3.750% ^{(a)(b)(c)}

\$710,000 3.875% Term Bonds, Due September 1, 2037, Priced to Yield 3.875% ^{(a)(b)(c)}

\$1,910,000 4.000% Term Bonds, Due September 1, 2047, Priced to Yield 4.000% ^{(a)(b)(c)}

- (a) The Bonds are subject to extraordinary mandatory redemption at the redemption price of 100% of the principal amount plus accrued interest to the date of redemption as described in the Official Statement under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
- (b) The Bonds maturing September 1, 2032, 2037, and 2047 (the “Term Bonds”) are subject to redemption, in whole or in part, prior to stated maturity, at the option of the Town, on September 1, 2027, or on any date thereafter at the redemption price of 100% of the principal amount plus accrued interest to the date of redemption.
- (c) The Term Bonds are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installments as set forth in the following schedule.

<u>2032</u>		<u>2037</u>		<u>2047</u>	
<u>Term Bond</u>		<u>Term Bond</u>		<u>Term Bond</u>	
<u>Mandatory</u>	<u>Sinking Fund</u>	<u>Mandatory</u>	<u>Sinking Fund</u>	<u>Mandatory</u>	<u>Sinking Fund</u>
<u>Redemption Date</u>	<u>Payment</u>	<u>Redemption Date</u>	<u>Payment</u>	<u>Redemption Date</u>	<u>Payment</u>
2028	\$110,000	2033	\$130,000	2038	\$160,000
2029	115,000	2034	135,000	2039	165,000
2030	120,000	2035	140,000	2040	170,000
2031	125,000	2036	150,000	2041	180,000
2032*	125,000	2037*	155,000	2042	185,000
				2043	195,000
				2044	200,000
				2045	210,000
				2046	220,000
				2047*	225,000

* Stated maturity.

APPENDIX A

The undersigned, as the duly authorized representative of FMSbonds, Inc. (the "Purchaser"), with respect to the \$4,140,000 Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1) ("the "Bonds") issued by the Town of Hickory Creek, Texas (the "Issuer"), hereby certifies, based on its records and information, as follows:

(a) Other than the Bonds maturing on [_____] (the "Hold-the-Price Maturity"), the first price at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms (a "Maturity") was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the "Public") is set forth in the final Official Statement relating to the Bonds.

(b) On or before the first day on which Purchase Contract is entered into (the "Sale Date"), the Purchaser offered to the Public each Maturity of the Hold-the-Price Maturity at its initial offering price (the "Initial Offering Price"), as listed in the final Official Statement relating to the Bonds.

(c) The Purchaser agreed in writing to neither offer nor sell the Hold-the-Price Maturity to any person at any higher price than the Initial Offering Price for such Maturity until a date that is the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Maturity.

A copy of the pricing wires or equivalent communication for the Bonds is attached to this certificate as Schedule A.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a 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, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (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) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

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 Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. 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. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this September _____, 2017.

FMSbonds, Inc., as Underwriter

By: _____

Name: _____

SCHEDULE A
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

APPENDIX B

[LETTERHEAD OF HAYES, BERRY, WHITE & VANZANT, L.L.P.]

September 6, 2017

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

U.S. Bank National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240

Town of Hickory Creek, Texas
1075 Ronald Reagan Drive
Hickory Creek, Texas 75065

\$4,140,000
TOWN OF HICKORY CREEK, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017
(HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1)

Ladies and Gentlemen:

We are Counsel to the Town of Hickory Creek, Texas (the “Town”) for limited purposes, and are rendering this opinion in connection with the issuance and sale of \$4,140,000 “Town of Hickory Creek, Texas Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1)” (the “Bonds”), by the Town, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to Ordinance No. 2017-08-769 and enacted by the Town Council of the Town (the “Town Council”) on August 15, 2017 (the “Bond Ordinance”) and shall be issued pursuant to the provisions of Chapter 1207 of the Texas Government Code and Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “Act”) and the Indenture of Trust dated as of August 15, 2017 (the “Indenture”) by and between the Town 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. 2012-0327-1 (the “Creation Resolution”) enacted by the Town Council on March 31, 2012;

(b) The Ordinance No. 2012-04-682 accepted and approved by Town Council on April 24, 2012 (the “Assessment Ordinance”)

(c) The Service and Assessment Plan, dated April 24, 2012, adopted by the Town Council on dated April 24, 2012, pursuant to Resolution No. 2012-04-682 (as updated, amended, supplemented, or restated, the “Service and Assessment Plan”);

(d) The Bond Ordinance;

(e) The Indenture;

(e) The Bond Purchase Agreement between the Town and FMSbonds, Inc., as Underwriter, dated August 15, 2017 (the “Bond Purchase Agreement”); and

(f) The Continuing Disclosure Agreement, dated as of August 15, 2017, between the Town and FSC Continuing Disclosure Services, a Division of Hilltop Securities, Inc., (the “Dissemination Agent”)(the “Continuing Disclosure Agreement”).

The Creation Resolution, the Assessment Ordinance, the Service and Assessment Plan, the Bond Ordinance, and the Indenture shall herein after be referred to as the “Authorizing Documents” and the remaining documents shall herein after be collectively referred to as the “Town Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the Town 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 Town Documents by all parties other than the Town.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein, we are of the opinion that:

1. The Town is a duly created, organized and existing Type A General-Law city organized and operating under the Constitution and the laws of the State of Texas. The Bond Purchase Agreement, the Indenture, the Continuing Disclosure Agreement and the Bonds have been duly authorized, executed and delivered, and assuming due execution by the other party(ies) thereto, if applicable, the Authorizing Documents, the Town Documents, and the Bonds constitute legal, valid and binding obligations of the Town, enforceable in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, and similar laws affecting creditors’ rights generally and general principles of equity.

2. There is no litigation or other proceeding now pending of which the Town or its registered agent has received notice or service of process, or to our best knowledge, threatened against the Town: (a) contesting the existence or powers of the Town or the titles of the respective officers of the Town Council to their respective offices; (b) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the application of the proceeds of the sale thereof for the purposes described in the Official Statement or the collection of Assessments or the pledge of and lien on the Pledged Revenues pursuant to the Indenture; (c) contesting or affecting specifically as to the PID the validity or enforceability of the Act or any action of the Town relating to authorization for the issuance of the Bonds, the Authorizing Documents, or the Town Documents, or the application of the proceeds of the Bonds for the

purposes set forth in the Official Statement; (d) specifically contesting the federal or state tax status of the Bonds; or (e) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto.

3. The Town has duly authorized, executed, and delivered the Official Statement.

4. Based upon our participation in the preparation of the Preliminary Official Statement and Official Statement, as counsel to the Town, the statements contained in the Preliminary Official Statement and the Official Statement as they relate to the Town under the caption “LEGAL MATTERS — Litigation — The Town” are fair and accurate. The information set forth under the captions “INTRODUCTION,” “PLAN OF FINANCE,” “ASSESSMENT PROCEDURES,” “THE TOWN,” “THE DISTRICT,” and “CONTINUING DISCLOSURE” is fair and accurate.

5. The Authorizing Documents were duly enacted by the Town and remain in full force and effect on the date hereof. The Town Documents have been duly authorized, executed and delivered by the Town and remain legal, valid and binding obligations of the Town enforceable against the Town in accordance with their terms. However, the enforceability of the obligations of the Town under such Town 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 governmental immunity applicable to governmental entities.

6. The performance by the Town of the obligations under the Town Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

7. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the Town as a condition precedent to the performance by the Town of its obligations under the Town Documents.

8. The adoption of the Authorizing Documents and the execution and delivery of the Town Documents and the compliance with the provisions of the Town 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 Town a breach of or default under any agreement to which the Town 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 Town a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Town is subject.

9. All proceedings undertaken by the Town with respect to the Pledged Revenues securing the Bonds, including adoption of the Bond Ordinance, were undertaken in accordance with Texas law, and the Town has taken all necessary action as of the date hereof to levy and impose the Assessments. The Assessments are a first and prior lien against the property which such Assessments are assessed, superior to all other liens or claims, except liens and claims by State of Texas, county, municipality, school district or other political subdivisions, until paid.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

HAYES, BERRY, WHITE & VANZANT, L.L.P.
ATTORNEY FOR THE TOWN

APPENDIX C

[LETTERHEAD OF MIKLOS LAW, PLLC, DEVELOPER'S COUNSEL]

September 6, 2017

Town of Hickory Creek
1075 Ronald Reagan Avenue
Hickory Creek, Texas 75065
Attn: John M. Smith, Jr.

McCall, Parkhurst & Horton L.L.P
717 North Harwood
Suite 900
Dallas, Texas 75201
Attn: Jeff Gulbas

FMSbonds, Inc.
100 Crescent Court
Dallas, Texas 75201
Attn: R.R. "Tripp" Davenport, III

U.S. Bank National Association
14241 Dallas Parkway
Suite 490
Dallas, Texas 75254
Attn: Israel Lugo

\$4,140,000
TOWN OF HICKORY CREEK, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017
(HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1)

Ladies & Gentlemen:

We have acted as special counsel to CTMGT Turbeville, LLC, a Texas limited liability company (the "*Developer*") in connection with the issuance and sale by the Town of Hickory Creek, Texas (the "*Town*"), of \$4,140,000.00 Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1) (the "*Bonds*"), pursuant to the Indenture of Trust dated as of August 15, 2017 (the "*Indenture*"), by and between the Town 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 "Steeplechase North" (the "*Development*") located in the Town.

The Bonds are being sold to FMSbonds, Inc. (the "*Underwriter*"), pursuant to that certain Bond Purchase Agreement dated August 15, 2017 (the "*Bond Purchase Agreement*"), among the

Town, the Underwriter, and the Developer (for the limited purposes stated therein). This opinion is being delivered pursuant to Section 9(d) of the Bond Purchase Agreement.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In our capacity as special counsel to the Developer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

(a) The following documents (collectively, the “*Material Documents*”):

(1) *Development Agreement*, effective as of November 15, 2011, between the Town and AS Gold, LP;

(2) *Contract of Sale*, dated September 3, 2011, between AS Gold, L.P. and Centurion Acquisitions, L.P.

(3) *First Amendment to Contract of Sale*, dated September 3, 2011, between AS Gold, L.P. and Centurion Acquisitions, L.P.

(4) *Amended and Restated Contract of Sale*, effective December 20, 2011, between AS Gold, L.P. and Centurion Acquisitions, L.P.

(5) *First Amendment to Amended and Restated Contract of Sale*, effective November 2, 2011, between AS Gold, L.P. and Centurion Acquisitions, L.P.

(6) *Assignment of Development Agreement*, effective December 19, 2011, between AS Gold, LP and Developer

(7) *Facilities Agreement*, effective November 15, 2011, between the Town and Centurion Acquisitions, L.P.

(8) *Contract of Sale*, effective April 26, 2012, between DRHI, Inc. and Developer

(9) *Reimbursement Agreement*, effective April 24, 2012, between the Town and Developer

(10) *Residential Development Agreement*, effective on or about November 15, 2012, between D.R. Horton – Texas, Ltd. and the Developer

(11) *The Bond Purchase Agreement*; and

(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 Official Statement, dated August 10, 2017 relating to the issuance of the Bonds (the “*Preliminary Official Statement*”);

(d) The final Official Statement, dated August 15, 2017, relating to the issuance of the Bonds (collectively with the Preliminary Official Statement, the “*Official Statement*”); 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 authority of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) that the execution and delivery by each party of, and performance of its agreements in, the Material Documents do not breach or result in a default under any existing obligation of such party under any agreements, contracts or instruments to which such party is a party to or otherwise subject to or any order, writ, injunction or decree of any court applicable to such party.

In addition, we have assumed that the Material Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We have also assumed that the terms and conditions of the transaction as reflected in the Material Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Material Documents.

We assume that none of the parties to the Material Documents (other than 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 authority to close this transaction in accordance with the terms and provisions of the Material Documents.

We assume that neither the Underwriter nor the Town 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 or any ordinances of the Town 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, trust agreement, 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 Official Statement under the captions “*PLAN OF FINANCE — Completed Development*,” “*THE AUTHORIZED IMPROVEMENTS*,” “*THE DEVELOPMENT*” (except for information under the subcaptions “—*Assessments in the District*” and “—*Assessed Value in the District*”), “*THE DEVELOPER*,” “*BONDHOLDERS’ RISKS*”(only as it pertains to the Developer, the Authorized Improvements, and the Development, as defined in the Official Statement),” and “*LEGAL MATTERS – Litigation — The Developer*” adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

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.

Subject to the above qualifications and based upon our participation in the preparation of the Offering Statement and our participation at conferences with representatives of the Issuer and its counsel, and with representatives of the Developer at which the Official Statement and related matters were discussed, and although we have not independently verified the information in the Official Statement and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement 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 Official Statement 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.

Very truly yours,

J. Prabha Cinclair

APPENDIX D

DEVELOPER CERTIFICATE

CTMGT Turbeville, LLC, a Texas limited liability company (the “Developer”) and an affiliate of Centurion American Custom Homes Inc. d/b/a Centurion American Development Group Inc., 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 Official Statement.

1. Developer is a Texas limited liability company, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of Developer have provided information to the Town of Hickory Creek, Texas (the “Town”) and FMSbonds, Inc. (the “Underwriter”) to be used in connection with the offering by the Town of its \$4,140,000 aggregate principal amount of “Town of Hickory Creek, Texas Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1)” (the “Bonds”) pursuant to the Town’s Preliminary Official Statement, dated August 10, 2017, and Official Statement dated August 15, 2017 (together, the “Official Statement”).

3. The Developer has delivered to the Underwriter and the Town 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 Town 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 any documents to which Developer is a party described in the Preliminary Official Statement (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.

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. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its officers or would have a Material Adverse Effect.

8. Developer has reviewed and approved the information contained in the Official Statement under the captions “PLAN OF FINANCE — Completed Development”, “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT” (except for the information under the subcaptions “ – Assessments in the District” and “ – Assessed Value in the District”), “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Authorized Improvements, and the Development, as defined in the Official Statement), and “LEGAL MATTERS — Litigation — The Developer,” and certifies that, as of the date of the Official Statement and as of the date hereof, 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 in respect of 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 Official Statement.

9. To the best of our knowledge, 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.

Dated: September 6, 2017

DEVELOPER:

CTMGT Turbeville, LLC, a Texas limited liability company,

By: Centamtar Terras, LLC, a Texas liability company, its Manger

By: CTMGT, LLC, a Texas liability company, its Manger

By: _____

Name: _____

APPENDIX E

[LETTERHEAD OF PID ADMINISTRATOR]

September 6, 2017

Town of Hickory Creek, Texas
1075 Ronald Reagan Drive
Hickory Creek, Texas 75065

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201

McCall, Parkhurst & Horton LLP
717 North Harwood, Suite 900
Dallas, Texas 75201

Re: Town of Hickory Creek, Texas Special Assessment Revenue Bonds, Series 2017
(Hickory Creek Public Improvement District No. 1) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, of PIDWorks LLC, consultant in connection with the administration by the Town of Hickory Creek, Texas (the “Town”), of the Hickory Creek Public Improvement District No. 1 (the “PID”), does hereby represent the following:

1. On behalf of PIDWorks LLC, I have supplied certain information contained in the Preliminary Official Statement, dated August 10, 2017 (the “Preliminary Official Statement”), and the final Official Statement, dated on or about August 15, 2017, (the “Official Statement”), both in connection with the Bonds, relating to the issuance of the Bonds by the Town, as described above. The information I provided for the Preliminary Official Statement and the Official Statement is located under the captions “OVERLAPPING TAXES AND DEBT,” “ASSESSMENT PROCEDURES — Assessment Methodology,” “— Assessment Amounts,” and “— Assessment Collections,” “THE DISTRICT,” “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT – Assessments in the District,” and “— Assessed Value in the District,” “THE PID ADMINISTRATOR” and in the Form of Service and Assessment Plan, as Updated (the “SAP”) for the Town located in APPENDIX C to the Official Statement.

2. To the best of my professional knowledge and belief, the portions of the Preliminary Official Statement and the Official Statement described above, as of the date of the Preliminary Official Statement and the Official Statement, respectively, and as of the date hereof, do not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I agree to the inclusion of the SAP in the Official Statement and to the use of the name of my firm in the Official Statement for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about September 6, 2017) which would render any such information in the Official Statement 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,

PIDWORKS LLC

By: _____
Its: _____

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT

See Attached

TOWN OF HICKORY CREEK, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017
(HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1)

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of August 15, 2017 (this “Disclosure Agreement”) is executed and delivered by and between the Town of Hickory Creek, Texas (the “Issuer”) and FSC Continuing Disclosure Services, a Division of Hilltop Securities, Inc. (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2017 (Hickory Creek Public Improvement District No. 1)” (the “Bonds”). The Issuer and the Dissemination Agent covenant and agree as follows:

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

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of August 15, 2017, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Appendices hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall mean the employee or designee of the Issuer who shall have the responsibilities provided in the Indenture, the District’s Service and Assessment Plan, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.

“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.

“Disclosure Representative” shall mean the Administrator 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 FSC 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 Hickory Creek Public Improvement District No. 1.

“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.

“Official Statement” means that Official Statement dated August [___], 2017 prepared in connection with the issuance of the Bonds.

“Outstanding” shall mean, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under the Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in the Indenture, (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to the Indenture, and (iv) any Bond alleged to have been mutilated, destroyed, cost or stolen which have been paid as provided in the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” means FMSbonds, Inc. and its successors and assigns.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

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

SECTION 3. Provision of Annual Bond Disclosure Reports.

(a) The Issuer shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, commencing with the Fiscal Year ended September 30, 2017, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the Annual Issuer Report, and later than the date required in this paragraph for the filing of the Annual Issuer Report if audited financial statements are not available by that date; provided further, however, that the Annual Financial Information must be submitted not later than six months after the end of the Issuer’s Fiscal Year. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a). All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) The Issuer shall or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report on the date required in subsection (a);

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from 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), the Annual Financial Information of the Issuer being:

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

- (A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding;
 - (B) The amounts in the funds and accounts under the Indenture securing the Bonds; and
 - (C) 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.
- (ii) Financial information and operating data with respect to the Issuer of the general type included in the final Official Statement, being information of the type under the headings “DEBT SERVICE REQUIREMENTS” and “ASSESSMENT PROCEDURES — Assessment Collections” thereof.
 - (iii) Audited financial statements of the Issuer, if available; however, if audited financial statements of the Issuer are not available by the date required by this Section 4(a), the Issuer shall provide unaudited financial statements not later than such date.
 - (iv) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a “SAP Update”), including any changes to the methodology for levying the Assessments in the District.
 - (v) The individual and aggregate taxable assessed valuation for each parcel or lot within the District upon which the Assessments securing the Bonds are levied based on the most recent certified tax roll available to the Issuer.
 - (vi) The current or delinquent status of the payment of the Assessment for each parcel or lot within the District as of February 15 of the calendar year immediately succeeding such Fiscal Year.
 - (vii) The total amount of (A) Annual Installments invoiced, (B) Annual Installments collected (as reported by the County Tax Assessor Collector or the Administrator), (C) delinquent Annual Installments, (D) Foreclosure Proceeds collected, and (E) prepaid Assessments collected, as of the February 15 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).
 - (viii) The total amount of Annual Installments assessed and collected during such Fiscal Year, together with the amount of delinquent Assessments collected and Assessments prepaid during such Fiscal Year.
 - (ix) 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 in the preceding paragraph.

(c) The Issuer has designated PIDWorks, LLC as the initial Administrator. The Administrator shall prepare and provide the Annual Financial Information required (except for the information of the type included under the heading “DEBT SERVICE REQUIREMENTS” and audited or unaudited financial statements of the Issuer) under Section 4(a) above to the Dissemination Agent no later than five (5) business days prior to the day that is six months after the end of each Fiscal Year. If no Administrator has been designated, the Issuer shall prepare and provide the Annual Financial Information required under Section 4(a) above to the Dissemination Agent no later than five (5) business days prior to the day that is six months after the end of each Fiscal Year.

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.

The term “material” when used in this Section 5 has the meaning ascribed to it under the applicable federal securities laws. 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, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to immediately file a notice of such occurrence with the MSRB. 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 (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8, 10, 13, or 14 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but no in no case more than five (5) Business Days after occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall promptly file a notice of such occurrence with the MSRB within ten (10) business days of the occurrence of such event.

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to such series of Bonds under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its

obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be FSC 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 any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Issuer, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance.

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 from Assessments collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER

NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent agrees that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from Assessments

collected from the property owners in 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]

TOWN OF HICKORY CREEK, TEXAS

By: _____
Mayor

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

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL FINANCIAL INFORMATION]
[ANNUAL AUDITED FINANCIAL STATEMENTS]**

Name of Issuer: Town of Hickory Creek, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2017 (Hickory Creek
Public Improvement District No. 1)
Date of Delivery: _____, 2017

NOTICE IS HEREBY GIVEN that the Town of Hickory Creek, Texas, has not provided [an Annual Issuer Report][its Annual Financial Information][its annual audited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated August 15, 2017, between the Issuer and FSC Continuing Disclosure Services, a Division of Hilltop Securities, Inc., as Dissemination Agent. The Issuer anticipates that [the Annual Issuer Report][its Annual Financial Information][its annual audited financial statements] will be filed by _____.

Dated: _____

FSC Continuing Disclosure Services,
a Division of Hilltop Securities, Inc.
on behalf of the Town of Hickory Creek, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: Administrator, Town of Hickory Creek, Texas

EXHIBIT B

**TOWN OF HICKORY CREEK, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017
(HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1)**

ANNUAL BOND DISCLOSURE 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

PRINCIPAL AND INTEREST PAID IN FISCAL YEAR

Fiscal Year	Principal Paid on the Bonds	Interest Paid on the Bonds

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

*Excluding Audited Financial Statements of the Issuer

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

Bonds (Principal Balance) _____
Funds and Accounts [list] _____
TOTAL ASSETS _____

LIABILITIES

Outstanding Bond Principal _____
Outstanding Program Expenses (if any) _____
TOTAL LIABILITIES _____

EQUITY

Assets Less Liabilities _____
Debt to Value Ratio _____

Form of Accounting Cash Accrual Modified Accrual

ITEMS REQUIRED BY SECTION 4(a)(ii) - (ix)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments Delinquent if not received
February 15	15	<p>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.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies</p> <p>Issuer and/or Administrator should be aware if Reserve Fund needs to be utilized for debt service payment on March 1. If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified in writing.</p> <p>Issuer and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment.</p> <p>Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual collections will be fully adequate for debt service in March and September.</p> <p>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 Issuer's 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.</p> <p>If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.</p>

March 1	28/29	<p>Trustee pays bond interest payments to bondholders.</p> <p>Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.</p> <p>Issuer, or the Trustee at the direction of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or Fund for debt service.</p> <p>Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.</p> <p>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.</p>
March 20	47/48	<p>Issuer and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies.</p> <p>If any property owner with ownership of property responsible for more than \$10,000 of the Assessments is delinquent or if a total of delinquencies is over 5%, or if it is expected that Reserve Fund moneys will need to be utilized for either the March or September bond payments, the Disclosure Representative shall work with the Issuer's Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Assessments.</p>
April 15	74/75	<p>Preliminary foreclosure activity commences, and Issuer to notify Dissemination Agent of the commencement of preliminary foreclosure activity.</p> <p>If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.</p>
May 1	89/90	<p>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.</p>

May 15	103/104	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those bondholders who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than June 1 (day 120/121).
June 1	120/121	Foreclosure action to be filed with the court.
June 15	134/135	Issuer notifies Trustee and Dissemination Agent in writing of Foreclosure filing status. Dissemination Agent notifies bondholders.
July 1	150/151	If bondholders and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.3

Consider and act on the Fiscal Year 2017 proposed tax rate and set date for public hearings if the proposed tax rate exceeds the lower of the effective rate or rollback rate.

The 2016 tax rate is 0.387319. The 2017 effective rate is 0.366933. The rollback rate is 0.377458. If the proposed tax rate exceeds the lower of the rollback rate or the effective rate, then public hearings are required. Proposed public hearing dates are September 5th and September 12th.

2017 Effective Tax Rate Worksheet

TOWN OF HICKORY CREEK

See pages 13 to 16 for an explanation of the effective tax rate.

1.	2016 total taxable value. Enter the amount of 2016 taxable value on the 2016 tax roll today. Include any adjustments since last year's certification; exclude Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in line 2) and the captured value for tax increment financing (will deduct taxes in line 14). ¹	\$426,435,507
2.	2016 tax ceilings. Counties, Cities and Junior College Districts. Enter 2016 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter "0" If your taxing units adopted the tax ceiling provision in 2016 or prior year for homeowners age 65 or older or disabled, use this step. ²	\$0
3.	Preliminary 2016 adjusted taxable value. Subtract line 2 from line 1.	\$426,435,507
4.	2016 total adopted tax rate.	\$0.387319/\$100
5.	2016 taxable value lost because court appeals of ARB decisions reduced 2016 appraised value. A. Original 2016 ARB values: \$23,030,000 B. 2016 values resulting from final court decisions: - \$21,700,000 C. 2016 value loss. Subtract B from A. ³	\$1,330,000
6.	2016 taxable value, adjusted for court-ordered reductions. Add line 3 and line 5C.	\$427,765,507
7.	2016 taxable value of property in territory the unit deannexed after January 1, 2016. Enter the 2016 value of property in deannexed territory. ⁴	\$0
8.	2016 taxable value lost because property first qualified for an exemption in 2016. Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, "goods-in-transit" exemptions. A. Absolute exemptions. Use 2016 market value: \$10,063 B. Partial exemptions. 2017 exemption amount or 2017 percentage exemption times 2016 value: + \$619,894 C. Value loss. Add A and B. ⁵	\$629,957

1 Tex. Tax Code § 26.012(14)

2 Tex. Tax Code § 26.012(14)

3 Tex. Tax Code § 26.012(13)

4 Tex. Tax Code § 26.012(15)

5 Tex. Tax Code § 26.012(15)

2017 Effective Tax Rate Worksheet (continued)

TOWN OF HICKORY CREEK

9.	2016 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2017. Use only those properties that first qualified in 2017; do not use properties that qualified in 2016. A. 2016 market value: \$0 B. 2017 productivity or special appraised value: - \$0 C. Value loss. Subtract B from A. ⁶ \$0	
10.	Total adjustments for lost value. Add lines 7, 8C and 9C.	\$629,957
11.	2016 adjusted taxable value. Subtract line 10 from line 6.	\$427,135,550
12.	Adjusted 2016 taxes. Multiply line 4 by line 11 and divide by \$100.	\$1,654,377
13.	Taxes refunded for years preceding tax year 2016. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2016. Types of refunds include court decisions, Tax Code § 25.25(b) and (c) corrections and Tax Code § 31.11 payment errors. Do not include refunds for tax year 2016. This line applies only to tax years preceding tax year 2016. ⁷	\$76
14.	Taxes in tax increment financing (TIF) for tax year 2016. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2017 captured appraised value in Line 16D, enter "0". ⁸	\$0
15.	Adjusted 2016 taxes with refunds and TIF adjustment. Add lines 12 and 13, subtract line 14. ⁹	\$1,654,453
16.	Total 2017 taxable value on the 2017 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 18). These homesteads includes homeowners age 65 or older or disabled. ¹⁰ A. Certified values only: \$468,823,156 B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$0	

6 Tex. Tax Code § 26.012(15)

7 Tex. Tax Code § 26.012(13)

8 Tex. Tax Code § 26.03(c)

9 Tex. Tax Code § 26.012(13)

10 Tex. Tax Code § 26.012(15)

2017 Effective Tax Rate Worksheet (continued)

TOWN OF HICKORY CREEK

16. (cont.)	<p>C. Pollution control exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control property: - \$0</p> <p>D. Tax increment financing: Deduct the 2017 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2017 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in line 21 below.¹¹ - \$0</p> <p>E. Total 2017 value. Add A and B, then subtract C and D. \$468,823,156</p>	
17.	<p>Total value of properties under protest or not included on certified appraisal roll.¹²</p> <p>A. 2017 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value.¹³ \$2,370,547</p> <p>B. 2017 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included at appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value.¹⁴ + \$0</p>	

11 Tex. Tax Code § 26.03(c)

12 Tex. Tax Code § 26.01(c)

13 Tex. Tax Code § 26.04 and 26.041

14 Tex. Tax Code § 26.04 and 26.041

2017 Effective Tax Rate Worksheet (continued)

TOWN OF HICKORY CREEK

17. (cont.)	C. Total value under protest or not certified. Add A and B.	\$2,370,547
18.	2017 tax ceilings. Counties, cities and junior colleges enter 2017 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter "0". If your taxing units adopted the tax ceiling provision in 2016 or prior year for homeowners age 65 or older or disabled, use this step. ¹⁵	\$0
19.	2017 total taxable value. Add lines 16E and 17C. Subtract line 18.	\$471,193,703
20.	Total 2017 taxable value of properties in territory annexed after January 1, 2008. Include both real and personal property. Enter the 2017 value of property in territory annexed. ¹⁶	\$0
21.	Total 2017 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2016. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after January 1, 2016 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2017. ¹⁷	\$20,307,622
22.	Total adjustments to the 2017 taxable value. Add lines 20 and 21.	\$20,307,622
23.	2017 adjusted taxable value. Subtract line 22 from line 19.	\$450,886,081
24.	2017 effective tax rate. Divide line 15 by line 23 and multiply by \$100. ¹⁸	\$0.366933/\$100
25.	COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2017 county effective tax rate. ¹⁹	\$/\$100

15 Tex. Tax Code § 26.012(6)

16 Tex. Tax Code § 26.012(17)

17 Tex. Tax Code § 26.012(17)

18 Tex. Tax Code § 26.04(c)

19 Tex. Tax Code § 26.04(d)

A county, city or hospital district that adopted the additional sales tax in November 2016 or in May 2017 must adjust its effective tax rate. *The Additional Sales Tax Rate Worksheet* on page 39 sets out this adjustment. Do not forget to complete the *Additional Sales Tax Rate Worksheet* if the taxing unit adopted the additional sales tax on these dates.

2017 Rollback Tax Rate Worksheet

TOWN OF HICKORY CREEK

See pages 17 to 21 for an explanation of the rollback tax rate.

26.	2016 maintenance and operations (M&O) tax rate.	\$0.197559/\$100
27.	2016 adjusted taxable value. Enter the amount from line 11.	\$427,135,550
28.	<p>2016 M&O taxes.</p> <p>A. Multiply line 26 by line 27 and divide by \$100. \$843,844</p> <p>B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2016. Enter amount from full year's sales tax revenue spent for M&O in 2016 fiscal year, if any. Other units, enter "0." Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent. + \$199,972</p> <p>C. Counties: Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other units, enter "0." + \$0</p> <p>D. Transferring function: If discontinuing all of a department, function or activity and transferring it to another unit by written contract, enter the amount spent by the unit discontinuing the function in the 12 months preceding the month of this calculation. If the unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the unit operated the function. The unit discontinuing the function will subtract this amount in H below. The unit receiving the function will add this amount in H below. Other units, enter "0." +/- \$0</p>	

2017 Rollback Tax Rate Worksheet (continued)

TOWN OF HICKORY CREEK

28. (cont.)	<p>E. Taxes refunded for years preceding tax year 2016: Enter the amount of M&O taxes refunded during the last budget year for tax years preceding tax year 2016. Types of refunds include court decisions, Section 25.25(b) and (c) corrections and Section 31.11 payment errors. Do not include refunds for tax year 2016. This line applies only to tax years preceding tax year 2016.</p> <p style="text-align: right;">+ \$37</p> <p>F. Enhanced indigent health care expenditures: Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.</p> <p style="text-align: right;">+ \$0</p> <p>G. Taxes in tax increment financing (TIF): Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2017 captured appraised value in Line 16D, enter "0."</p> <p style="text-align: right;">- \$0</p> <p>H. Adjusted M&O Taxes. Add A, B, C, E and F. For unit with D, subtract if discontinuing function and add if receiving function. Subtract G.</p> <p style="text-align: right;">\$1,043,853</p>	
29.	2017 adjusted taxable value. Enter line 23 from the Effective Tax Rate Worksheet.	\$450,886,081
30.	2017 effective maintenance and operations rate. Divide line 28H by line 29 and multiply by \$100.	\$0.231511/\$100
31.	2017 rollback maintenance and operation rate. Multiply line 30 by 1.08. (See lines 49 to 52 for additional rate for pollution control expenses.	\$0.250031/\$100

2017 Rollback Tax Rate Worksheet (continued)

TOWN OF HICKORY CREEK

32.	<p>Total 2017 debt to be paid with property taxes and additional sales tax revenue. "Debt" means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the unit's budget as M&O expenses.</p> <p>A: Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. List the debt in Schedule B: Debt Service.</p> <p style="text-align: right;">\$846,178</p> <p>B: Subtract unencumbered fund amount used to reduce total debt. -\$0</p> <p>C: Subtract amount paid from other resources. -\$45,778</p> <p>D: Adjusted debt. Subtract B and C from A. \$800,400</p>	
33.	Certified 2016 excess debt collections. Enter the amount certified by the collector.	\$0
34.	Adjusted 2017 debt. Subtract line 33 from line 32.	\$800,400
35.	Certified 2017 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.000000%
36.	2017 debt adjusted for collections. Divide line 34 by line 35.	\$800,400
37.	2017 total taxable value. Enter the amount on line 19.	\$471,193,703
38.	2017 debt tax rate. Divide line 36 by line 37 and multiply by \$100.	\$0.169866/\$100
39.	2017 rollback tax rate. Add lines 31 and 38.	\$0.419897/\$100
40.	COUNTIES ONLY. Add together the rollback tax rates for each type of tax the county levies. The total is the 2017 county rollback tax rate.	\$/\$100

A taxing unit that adopted the additional sales tax must complete the lines for the *Additional Sales Tax Rate*. A taxing unit seeking additional rollback protection for pollution control expenses completes the *Additional Rollback Protection for Pollution Control*.

Additional Sales Tax Rate Worksheet

TOWN OF HICKORY CREEK

41.	Units that adopted the sales tax in August or November 2016, or in January or May 2017. Enter the Comptroller's estimate of taxable sales for the previous four quarters. Units that adopted the sales tax before August 2016, skip this line.	\$0
42.	<p>Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.</p> <p>UNITS THAT ADOPTED THE SALES TAX IN AUGUST OR NOVEMBER 2016, OR IN JANUARY OR MAY 2017. Multiply the amount on line 41 by the sales tax rate (.01, .005, or .0025, as applicable) and multiply the result by .95.</p> <p style="text-align: center;">-OR-</p> <p>UNITS THAT ADOPTED THE SALES TAX BEFORE AUGUST 2016. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.</p>	\$199,972
43.	2017 total taxable value. Enter the amount from line 37 of the <i>Rollback Tax Rate Worksheet</i> .	\$471,193,703
44.	Sales tax adjustment rate. Divide line 42 by line 43 and multiply by \$100.	\$0.042439/\$100
45.	2017 effective tax rate, unadjusted for sales tax. Enter the rate from line 24 or 25, as applicable, on the <i>Effective Tax Rate Worksheet</i> .	\$0.366933/\$100
46.	<p>2017 effective tax rate, adjusted for sales tax.</p> <p>UNITS THAT ADOPTED THE SALES TAX IN AUGUST OR NOVEMBER 2016, OR IN JANUARY OR MAY 2017. Subtract line 45 from line 46.</p> <p style="text-align: center;">-OR-</p> <p>UNITS THAT ADOPTED THE SALES TAX BEFORE AUGUST 2016. Enter line 46, do not subtract.</p>	\$0.366933/\$100
47.	2017 rollback tax rate, unadjusted for sales tax. Enter the rate from line 39 or 40, as applicable, of the rollback tax rate worksheet.	\$0.419897/\$100
48.	2017 rollback tax rate, adjusted for sales tax. Subtract line 44 from line 47.	\$0.377458/\$100

If the additional sales tax rate increased or decreased from last year, contact the Comptroller's office for special instructions on calculating the sales tax projection for the first year after the rate change.

**2017 Notice of Effective Tax Rate
Worksheet for Calculation of Tax Increase/Decrease**

Entity Name: TOWN OF HICKORY CREEK

Date: 07/25/2017

1. 2016 taxable value, adjusted for court-ordered reductions. Enter line 6 of the Effective Tax Rate Worksheet.	\$427,765,507
2. 2016 total tax rate. Enter line 4 of the Effective Tax Rate Worksheet.	0.387319
3. Taxes refunded for years preceding tax year 2016. Enter line 13 of the Effective Tax Rate Worksheet.	\$76
4. Last year's levy. Multiply Line 1 times Line 2 and divide by 100. To the result, add Line 3.	\$1,656,893
5. 2017 total taxable value. Enter Line 19 of the Effective Tax Rate Worksheet.	\$471,193,703
6. 2017 effective tax rate. Enter line 24 of the Effective Tax Rate Worksheet or Line 47 of the Additional Sales Tax Rate Worksheet.	0.366933
7. 2017 taxes if a tax rate equal to the effective tax rate is adopted. Multiply Line 5 times Line 6 and divide by 100.	\$1,728,965
8. Last year's total levy. Sum of line 4 for all funds.	\$1,656,893
9. 2017 total taxes if a tax rate equal to the effective tax rate is adopted. Sum of line 7 for all funds.	\$1,728,965
10. Tax Increase (Decrease). Subtract Line 8 from Line 9.	\$72,072

TOWN OF HICKORY CREEK

Tax Rate Recap for 2017 Tax Rates

Description of Rate	Tax Rate Per \$100	Tax Levy This is calculated using the Total Adjusted Taxable Value (line 19) of the Effective Tax Rate Worksheet	Additional Tax Levy Compared to <u>last year's tax levy</u> of 1,651,666	Additional Tax Levy Compared to <u>effective tax rate levy</u> of 1,728,965
Last Year's Tax Rate	0.387319	\$1,825,023	\$173,357	\$96,058
Effective Tax Rate	0.366933	\$1,728,965	\$77,299	\$0
Notice & Hearing Limit*	0.366933	\$1,728,965	\$77,299	\$0
Rollback Tax Rate	0.377458	\$1,778,558	\$126,893	\$49,593
Proposed Tax Rate	0.000000	\$0	-\$1,651,666	-\$1,728,965

Effective Tax Rate Increase in Cents per \$100

0.00	0.366933	1,728,965	77,299	0
0.50	0.371933	1,752,525	100,859	23,560
1.00	0.376933	1,776,085	124,419	47,119
1.50	0.381933	1,799,644	147,979	70,679
2.00	0.386933	1,823,204	171,538	94,239
2.50	0.391933	1,846,764	195,098	117,798
3.00	0.396933	1,870,323	218,658	141,358
3.50	0.401933	1,893,883	242,217	164,918
4.00	0.406933	1,917,443	265,777	188,477
4.50	0.411933	1,941,002	289,337	212,037
5.00	0.416933	1,964,562	312,896	235,597
5.50	0.421933	1,988,122	336,456	259,157
6.00	0.426933	2,011,681	360,016	282,716
6.50	0.431933	2,035,241	383,575	306,276
7.00	0.436933	2,058,801	407,135	329,836
7.50	0.441933	2,082,360	430,695	353,395
8.00	0.446933	2,105,920	454,254	376,955
8.50	0.451933	2,129,480	477,814	400,515
9.00	0.456933	2,153,040	501,374	424,074
9.50	0.461933	2,176,599	524,933	447,634
10.00	0.466933	2,200,159	548,493	471,194
10.50	0.471933	2,223,719	572,053	494,753
11.00	0.476933	2,247,278	595,613	518,313
11.50	0.481933	2,270,838	619,172	541,873
12.00	0.486933	2,294,398	642,732	565,432
12.50	0.491933	2,317,957	666,292	588,992
13.00	0.496933	2,341,517	689,851	612,552
13.50	0.501933	2,365,077	713,411	636,111
14.00	0.506933	2,388,636	736,971	659,671
14.50	0.511933	2,412,196	760,530	683,231

- *Notice & Hearing Limit Rate: This is the highest tax rate that may be adopted without notices and a public hearing. It is the lower of the rollback tax rate or the effective tax rate.
- School Districts: The school tax rate limit is \$1.50 for M&O, plus \$0.50 for 'New' debt plus a rate for 'Old' debt. 'Old' debt is debt authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992. All other debt is 'New' debt.

Tax Levy: This is calculated by taking the adjusted taxable value (line 19 of Effective Tax Rate Worksheet), multiplying by the appropriate rate, such as the Effective Tax Rate and dividing by 100.

For School Districts: This is calculated by taking the adjusted taxable value (line 34 of the Rollback Tax Rate Worksheet), multiplying by the appropriate rate, dividing by 100 and then adding this year's frozen tax levy on homesteads of the elderly.

Additional Levy Last Year: This is calculated by taking Last Year's taxable value (line 3 of Effective Tax Rate Worksheet), multiplying by Last Year's tax rate (line 4 of Effective Tax Rate Worksheet) and dividing by 100.

For School Districts: This is calculated by taking Last Year's taxable value, subtracting Last Year's taxable value for the elderly, multiplying by Last Year's tax rate, dividing by 100 and adding Last Year's tax ceiling.

Additional Levy This Year: This is calculated by taking the current adjusted taxable value, multiplying by the Effective Tax Rate and dividing by 100.

For School Districts: This is calculated by taking the adjusted taxable value (line 34 of the Rollback Tax Rate Worksheet), multiplying by the Effective Tax Rate, dividing by 100 and adding This Year's tax ceiling.

COUNTIES ONLY: All figures in this worksheet include ALL County Funds. Tax Levy amounts are the sum of each Fund's Taxable Value X each Fund's Tax Rate.

2017 Property Tax Rates in TOWN OF HICKORY CREEK

This notice concerns 2017 property tax rates for TOWN OF HICKORY CREEK . It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$843,845
Last year's debt taxes	\$810,532
Last year's total taxes	\$1,654,377
Last year's tax base	\$427,135,550
Last year's total tax rate	0.387319/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$1,654,453
÷ This year's adjusted tax base (after subtracting value of new property)	\$450,886,081
= This year's effective tax rate	0.366933/\$100

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate and/or enhanced indigent health care expenditures)	\$1,043,853
÷ This year's adjusted tax base	\$450,886,081
= This year's effective operating rate	0.231511/\$100
× 1.08 = this year's maximum operating rate	0.250031/\$100
+ This year's debt rate	0.169866/\$100
= This year's rollback rate	0.419897/\$100

A hospital district or city that collects the additional sales tax to reduce property taxes, including one that collects the tax for the first time this year, must insert the following lines:

-Sales tax adjustment rate	0.042439/\$100
=Rollback tax rate	0.377458/\$100

Statement of Increase/Decrease

If TOWN OF HICKORY CREEK adopts a 2017 tax rate equal to the effective tax rate of 0.366933 per \$100 of value, taxes would increase compared to 2016 taxes by \$ 72,072.

Schedule A: Unencumbered Fund Balances:

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund	2,665,732
Debt Service Fund	134,265

Schedule B: 2017 Debt Service:

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2012 General Obligation Refunding Bonds	125,000	22,660	0	147,660
2012 Tax Note	115,000	3,818	0	118,818
2015 General Obligation Refunding Bonds	185,000	123,000	0	308,000
2015 Certificates of Obligation	145,000	126,700	0	271,700
Total required for 2017 debt service				\$846,178
- Amount (if any) paid from funds listed in Schedule A				\$0
- Amount (if any) paid from other resources				\$45,778
- Excess collections last year				\$0
= Total to be paid from taxes in 2017				\$800,400
+ Amount added in anticipation that the unit will collect only 100.000000% of its taxes in 2017				\$0
= Total Debt Levy				\$800,400

Schedule C - Expected Revenue from Additional Sales Tax

(For hospital districts, cities and counties with additional sales tax to reduce property taxes)

In calculating its effective and rollback tax rates, the unit estimated that it will receive \$ 199,972 in additional sales and use tax revenues. **For County:** The county has excluded any amount that is or will be distributed for economic development grants from this amount of expected sales tax revenue.

 This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 1505 E McKinney St, Denton, TX 76209.

Name of person preparing this notice: Michelle French

Title: Denton County Tax Assessor/Collector

Date prepared: July 25, 2017



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.4

Consider and act on approving the 2017-2018 Fiscal Year preliminary budget for public inspection and comment and set September 19, 2017 as the date for the public hearing.

*Town of Hickory Creek
2017-2018
Proposed Budget
August 15, 2017*

Ad Valorem Tax Revenue

4002 M&O	928,583.00
4004 M&O Penalties & Interest	4,000.00
4006 Delinquent M&O	3,000.00
4008 I&S Debt Service	800,411.00
4010 I&S Penalties & Interest	4,000.00
4012 Delinquent I&S	3,000.00
Total Ad Valorem Tax Revenue	1,742,994.00

Building Department Revenue

4102 Building Permits	250,000.00
4104 Certificate of Occupancy	600.00
4106 Contractor Registration	5,000.00
4108 Preliminary/ Final Plat	0.00
4110 Preliminary/Final Site Plan	0.00
4112 Health Inspections	10,120.00
4122 Septic Permits	850.00
4124 Sign Permits	800.00
4126 Special Use Permit	200.00
4128 Variance Fee	500.00
4130 Vendor Fee	1,000.00
4132 Alarm Permit Fees	1,800.00
Total Building Department Revenue	270,870.00

Franchise Fee Revenue

4202 Atmos Energy	28,750.00
4204 Charter Communications	34,500.00
4206 Century Link	4,200.00
4208 CoServ	4,200.00
4210 Oncor Electric	130,000.00
4212 Waste Management	36,000.00
Total Franchise Fee Revenue	237,650.00

Interest Revenue

4302 Animal Shelter Interest	0.00
4308 Drug Forfeiture Interest	0.00
4310 Drug Seizure Interest	0.00
4314 Logic Investment Interest	15,000.00
4320 Logic Street/Road Improvements	2,000.00
4322 Logic Turbeville Road	500.00
4326 PD State Training Interest	0.00
4328 Logic Harbor/Sycamore Bend	0.00
Total Interest Revenue	17,500.00

*Town of Hickory Creek
2017-2018
Proposed Budget
August 15, 2017*

Interlocal Revenue

4402 Corp Contract Current Year	34,000.00
Total Interlocal Revenue	34,000.00

Miscellaneous Revenue

4502 Animal Adoption & Impound	5,000.00
4506 Animal Shelter Donations	1,000.00
4508 Annual Park Passes	20,000.00
4510 Arrowhead Park Fees	15,000.00
4512 Beer & Wine Permit	60.00
4516 Corp Parks Fund Reserve	28,218.00
4518 Drug Forfeiture	0.00
4520 Drug Seizure	0.00
4522 EDC Payment/Ronald Reagan	45,778.00
4524 Fund Balance Reserve	573,500.00
4526 Mineral Rights	300.00
4528 NSF Fees	50.00
4530 Other Receivables	7,100.00
4534 PD State Training	0.00
4536 Point Vista Park Fees	5,000.00
4546 Street Improvement Bond Proceeds	0.00
4550 Sycamore Bend Park Fees	12,000.00
4554 Building Security Fund Reserve	0.00
4556 Court Technology Fund Reserve	7,650.00
4558 Harbor Lane/Sycamore Bend	0.00
Total Miscellaneous Revenue	720,656.00

Municipal Court Revenue

4602 Building Security Fee	11,250.00
4604 Citations	625,000.00
4606 Court Technology	15,000.00
4612 State Court Costs	256,250.00
Total Municipal Court Revenue	907,500.00

Sales Tax Revenue

4702 Sales Tax General Fund	934,375.00
4704 Sales Tax Road Maintenance	186,875.00
4706 Sales Tax 4B Corporation	373,750.00
4708 Sales Tax Mixed Beverage	0.00
Total Sales Tax Revenue	1,495,000.00

Total Revenue **5,426,170.00**

*Town of Hickory Creek
2017-2018
Proposed Budget
August 15, 2017*

Capital Outlay Expense

5010 Street Maintenance	186,875.00
5012 Streets & Road Improvement	0.00
5020 Main Street Reconstruction	0.00
5022 Parks and Recreation Improvements	60,218.00
5024 Public Safety Improvements	156,000.00
5026 Fleet Purchase/Replacement	120,000.00
Total Capital Outlay	523,093.00

Debt Service Expense

5106 2012 Refunding Bond Series	147,660.00
5108 2012 Tax Note Series	118,818.00
5110 2015 Refunding Bonds Series	308,000.00
5112 2015 Certificates of Obligations Series	271,700.00
Total Debt Service	846,178.00

General Government Expense

5202 Bank Service Charges	200.00
5204 Books & Subscriptions	300.00
5206 Computer Hardware/Software	22,500.00
5208 Copier Rental	3,500.00
5210 Dues & Memberships	1,800.00
5212 EDC Tax Payment	373,750.00
5214 Election Expenses	5,000.00
5216 Volunteer/Staff Events	8,000.00
5218 General Communications	15,500.00
5222 Office Supplies & Equip.	1,800.00
5224 Postage	6,000.00
5226 Community Cause	4,000.00
5228 Town Council/Board Expense	5,000.00
5230 Training & Education(Staff)	2,000.00
5232 Travel Expense	1,500.00
5234 Staff Uniforms	700.00
Total General Government	451,550.00

Municipal Court Expense

5302 Books & Subscriptions	100.00
5304 Building Security	11,250.00
5312 Court Technology	22,650.00
5314 Dues & Memberships	180.00
5318 Merchant Fees/Credit Cards	0.00
5322 Office Supplies/Equipment	1,500.00
5324 State Court Costs	256,250.00
5326 Training & Education	1,200.00
5328 Travel Expense	400.00
5330 Warrant Roundup	1,500.00
5332 Warrants Collected	0.00
Total Municipal Court	295,030.00

**Town of Hickory Creek
2017-2018
Proposed Budget
August 15, 2017**

Parks and Recreation Expense

5402 Events	3,000.00
5404 Marketing	500.00
5406 Professional Dues	400.00
5408 Tanglewood Park	5,000.00
5410 Travel and Training	1,000.00
5412 KHCB	1,000.00
5414 Tree City USA	1,500.00
5416 Town Hall Park	15,000.00
5418 Glenview Park	47,500.00
Total Parks and Recreation	74,900.00

Parks Corps of Engineer Expense

5432 Arrowhead	56,000.00
5434 Harbor Grove	2,000.00
5436 Point Vista	6,000.00
5438 Sycamore Bend	166,000.00
Total Parks Corps of Engineer	230,000.00

Personnel Expense

5502 Administration Wages	264,800.00
5504 Municipal Court Wages	105,400.00
5506 Police Wages	655,900.00
5507 Police Overtime Wages	6,000.00
5508 Public Works Wages	203,906.00
5509 Public Works Overtime Wages	1,400.00
5510 Health Insurance	226,700.00
5512 Longevity	10,300.00
5514 Payroll Expense	16,500.00
5516 Employment Exams	1,500.00
5518 Retirement (TMRS)	144,200.00
5520 Unemployment (TWC)	2,000.00
5522 Workman's Compensation	24,188.00
Total Personnel	1,662,794.00

*Town of Hickory Creek
2017-2018
Proposed Budget
August 15, 2017*

Police Department Expense

5602 Auto Gas & Oil	25,000.00
5606 Auto Maintenance & Repair	20,000.00
5608 Auto New Equipment	8,000.00
5610 Books & Subscriptions	300.00
5612 Computer Hardware/Software	30,279.00
5614 Crime Lab Analysis	1,500.00
5616 Drug Forfeiture	0.00
5618 Dues & Memberships	200.00
5626 Office Supplies/Equipment	2,000.00
5628 PD State Training	0.00
5630 Personnel Equipment	5,000.00
5632 Radios	0.00
5634 Travel Expense	2,000.00
5636 Uniforms	5,000.00
5640 Training & Education	11,000.00
5644 Citizens on Patrol	500.00
5646 Community Outreach	1,000.00
Total Police Department	111,779.00

Public Works Department Expense

5702 Animal Control Donation	1,000.00
5704 Animal Control Equipment	600.00
5706 Animal Control Supplies	1,000.00
5708 Animal Control Vet Fees	6,000.00
5710 Auto Gas & Oil	10,000.00
5714 Auto Maintenance/Repair	10,000.00
5716 Beautification	50,000.00
5718 Computer Hardware/Software	500.00
5720 Dues & Memberships	350.00
5722 Equipment	4,000.00
5724 Equipment Maintenance	8,000.00
5726 Equipment Rental	500.00
5728 Equipment Supplies	6,500.00
5732 Office Supplies/Equipment	800.00
5734 Radios	3,200.00
5738 Training	800.00
5740 Travel Expense	1,000.00
5742 Uniforms	2,000.00
5748 Landscaping Services	35,000.00
Total Public Works Department	141,250.00

**Town of Hickory Creek
2017-2018
Proposed Budget
August 15, 2017**

Services Expense

5802 Appraisal District	10,500.00
5804 Attorney Fees	50,000.00
5806 Audit	14,000.00
5808 Codification	1,500.00
5812 Document Management	1,000.00
5814 Engineering	30,000.00
5816 General Insurance	29,521.00
5818 Inspections	37,500.00
5820 Fire Service	611,405.00
5822 Legal Notices/Advertising	2,000.00
5824 Library Services	500.00
5826 Municipal Judge	11,520.00
5828 Printing	1,600.00
5830 Tax Collection	1,800.00
5832 Computer Technical Support	30,000.00
5838 Denton County Children's Advocacy	1,000.00
5840 Denton County Dispatch	27,950.00
5844 Helping Hands	300.00
5846 Span Transit Services	2,500.00
Total Services	864,596.00

Special Events

6004 Fourth of July Celebration	4,000.00
6008 Tree Lighting	3,000.00
Total Special Events	7,000.00

Utilities & Maintenance Expense

5902 Bldg. Maintenance/Supplies	124,500.00
5904 Electric	30,000.00
5906 Gas	1,500.00
5908 Street Lighting	30,000.00
5910 Telephone	23,000.00
5912 Water	9,000.00
Total Utilities & Maintenance	218,000.00

Total Expense **5,426,170.00**

Net Ordinary Income **0.00**



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.5

Discussion regarding allowing alcohol at special events sponsored by the Town of Hickory Creek or private events held in conjunction with the rental of Arrowhead Park Pavilion or Sycamore Bend Park Pavilion.

THINGS TO CONSIDER FOR ALLOWING ALCOHOL AT SPECIAL EVENTS

1. Will alcohol be allowed at public events or just private ones?
2. Is pavilion rental required? (There have been several weddings and family events at Harbor Lane Park)
3. Will there be an additional fee or refundable deposit?
4. Will an officer be required while alcohol is being served (duration of event)? At what rate?
5. Who will be responsible for any damages? (Renter, vendor, server, individual?)
6. Will an insurance policy be required? In what amount?
7. Who will approve permit? (Chief, PD, Building Dept., Council)
 - a. Will there be a processing fee?
 - b. How will a denial be given?
8. May alcohol be sold or only served?
9. May only residents get a permit or may anyone apply?
10. If an event permit is revoked for cause, will any refunds be issued?



PARKS AND RECREATION
 1000 Highland Village Road
 Highland Village, TX 75077
 972-317-7430 F 972-317-0237
 www.highlandvillage.org

Application for Alcohol Permit City of Highland Village

DEFINITIONS:

PUBLIC EVENT: An event is considered public if any of the following apply:

- a. There is not a finite and/or limited guest list.
- b. A person of the public may purchase or acquire a ticket for entrance or participation
- c. A person of the public may attend the event.
- d. Advertised by website, e-mail, print or radio media to the public.

PRIVATE EVENT: Events are considered private where a limited and finite count of guests is expected. An example would be a wedding, or birthday party, or private reception, which is not open to the public.

TEXAS ALCOHOL AND BEVERAGE COMMISSION (TABC): is a Texas public agency responsible for regulating, inspecting and taxing the production and sale of alcoholic beverages within the state.

APPLICANT PLEASE COMPLETE THE FOLLOWING:

Today's Date: _____

Name of Applicant: _____
 (Must be 18 years of age and resident of Highland Village.)

Permanent Address: _____

Phone Number: _____ Cell/Other: _____

Date of Birth: _____ Drivers License Number: _____

Name of Business, Person or Legal Entity Represented: _____

Address: _____

Phone _____ E-Mail: _____

Have you or the legal entity represented ever been refused a permit to sell and/or consume alcoholic beverages, including beer, for a one-day special event? _____ Yes _____ No If yes, please provide details and level of offense: _____

Have your or the legal entity represented ever been convicted of a felony or misdemeanor involving moral turpitude? _____ Yes _____ No If yes, provide details and level of offense: _____

EVENT INFORMATION:

Date of Event: _____ Start Time: _____ End Time: _____

Name / Description of Event: _____

Location of Event: _____

Estimated attendance at event: _____ Event/Activity: _____ Public _____ Private

Traffic Plan or Map: _____

If event/activity is private, will alcohol be served by self without charge? _____ Yes _____ No

If event/activity is private, will alcohol be served by a vendor? _____ Yes _____ No. If yes, please list the vendor: _____

Alcohol will be served: From _____: _____p.m. to _____: _____p.m. (Sale or service of alcohol must be discontinued 1 hour prior to the scheduled end of the event, unless the event is 3 hours or less.)

Will alcohol be sold: _____ Yes _____ No **NOTE:** It is legal to provide free alcoholic beverages without a TABC permit. However, to be truly "free," it must be available to any adult who walks in the door and requests it. If alcoholic beverages are only available to paying customers, the assumption is that the cost of the alcohol is included in the price of the service. This constitutes a sale of alcoholic beverages, and a TABC permit would be required. When you provide the alcoholic beverage, there cannot be any expectation of receiving money. You cannot ask for a "donation" or "tip." If the drinks will only be available to paying guests, then you will need a permit.

A wedding reception with free drinks is really free. If you buy tickets to attend a charity ball and they serve "free" drinks, those are not really free. If a tip jar sits next to a keg of beer expecting "donations," the beer would not be considered free.

Therefore if alcoholic beverages are given away at the event, and any charge is connected with attendance, including entertainment charges, donations, etc., the alcoholic beverages will be considered to be "sold" and a TABC permit is required.

Alcohol consumption will be restricted to inside of the rental facility, reserved pavilion, or approved special event area and will not be taken out by guests or participants. Alcohol will not be served to an intoxicated person or made available or accessible to persons under the age of 21.

Applicant and/or organization is responsible for an disruptive or irresponsible behavior and may be liable for personal or property damages arising from alcohol use including damages caused by or sustained by an individual who becomes intoxicated and causes damages.

A police officer is required to be on site from the time the alcohol is served/made available until the end of the event for all events at the Duval Center. Other locations may require an officer based on the event, location and estimated attendance. General requirement is one (1) officer with one additional officer for every 250 attendees. Rate is \$40 per man hour payable after the event. The assigned officer(s) will contact the permit holder in advance of the event to coordinate security.

I _____, certify the above statements and information to be true and accurate.

_____	_____	_____	_____
Applicant Signature	Date	Notary	Date

NOTE:

- The Chief or Police or his designee may in his/her sold discretion suspend or revoke this permit at any time for cause.
- A **non-refundable** Administrative Processing Fee of **\$50.00** must be paid at application time.
- If, required, a copy of the Texas Alcoholic Beverage Commission (TABC) Certificate must be submitted with the Alcoholic Beverage Permit application prior to issuance of a City of Highland Village Alcoholic Beverage Permit.

For Official Use Only:			
Fee Paid: \$ _____	Received By: _____	Payment Type: _____	Date: _____
Texas Alcoholic Beverage Commission Certificate Received: _____ Yes _____ No _____ NA			
Police Officers Required Public Special Event: No / Yes _____	Total No. of Officers Required: _____		
Police Officers Required Private Rental: No / Yes _____	Total No. of Officers Required: _____		
Other Conditions / Restrictions:			
APPROVED _____	DENIED _____		
_____ Chief of Police			_____ Date

City of Highland Village Park & Recreation

Pavilion Rental Application

Today's Date: _____

Event/Rental Date _____

Applicant Name (Responsible Party): _____

Organization Name (if applicable) _____

Phone No: _____ Other: _____ Emergency: _____

Address: _____ City/State: _____ Zip: _____

Email Address: _____

Requested Pavilion (Check all that apply) A \$50.00 refundable cleaning deposit is required for all Pavilions listed below.

Pilot Knoll Park: Full Day Rentals

- Big Oak _____ Capacity 150/60 Free Entry Passes
- Cedar Elm _____ Capacity 100/40 Free Entry Passes
- Post Oak _____ Capacity 100/40 Free Entry Passes

Lakeside Community Park Hourly, Full and Half Day (5 hrs) Rentals Available

- Michael C Burgess Pavilion _____
- Sunrise Pavilion _____

Doubletree Ranch Park Full and Half Day (5 hrs) Rentals Available

Pavilion _____

Requested Rental Time: _____ to _____ .

Briefly describe your event. Include the purpose of the event and planned activities (bounce house, music, etc.):

Expected Attendance: Adults _____ **Children (under age 18)** _____ **Total** _____

Do you plan to apply for an alcohol permit? Yes _____ No _____ If Yes please see Note below.

Note: The consumption of alcoholic beverages at any function will require the approval of the Highland Village Chief of Police as outlined in the City of Highland Village Code of Ordinances, Article II, Licenses and Permits, Section 10; 21-24. Application for Alcohol Permit may be processed at the Parks and Recreation Administrative office. A non-refundable administrative processing fee of \$50.00 will be charged for all Alcohol Permits.

Applicant Signature _____

Highland Village Parks & Recreation Department

Pavillon Rules

1. The consumption of alcoholic beverages at any function will require the approval of the Highland Village Chief of Police as outlined in the City of Highland Village Code of Ordinances, Article II, Licenses and Permits, Section 10; 21-24. Application for Alcohol Permit may be processed at the Parks and Recreation Administrative Office. A non-refundable administrative processing fee of \$50.00 will be charged.
2. Amplified music may be played only between the hours of 9:00 a.m. and 10:00 p.m., unless otherwise approved by the director, or as permitted under sections 12.05.071, General Prohibitions: *Any unreasonably loud, disturbing noise which causes material distress, discomfort or injury to persons of ordinary sensibilities in the immediate vicinity thereof is hereby declared to be a nuisance and is hereby prohibited. Any noise of such character, intensity and continued duration which substantially interferes with the comfortable enjoyment of private homes by persons of ordinary sensibilities is hereby declared to be a nuisance and is hereby prohibited. (1999 Code, sec. 38-61) and/or 12.05.072 of this code.*
3. Decorations shall not be attached to a pavilion that would tend to deface the structure including, but not limited to, staples, tacks, crepe paper or any material that will stain. Approval shall be obtained from the director prior to installation or placement of any special decorations on or in a pavilion.
4. No open flame, candle (other than birthday cake candles), torch, etc., shall be used in a pavilion.
5. Use of any decoration or equipment that requires electricity must comply with applicable city fire and electrical codes.
6. All fires must be in the BBQ grills or approved apparatus.
7. The pavilion must be left clean, with trash picked up and deposited in proper receptacles or dumpsters and lights turned off at the end of reservation.
8. Glass containers are not allowed in City Parks or Pavilions.
9. Youth functions require two adult chaperons 21 years of age or over for rentals of 1 – 50 youth. One additional adult chaperon 21 years or older is required for every 25 additional youth. Chaperons shall be present when the event starts and shall not leave during or before the event is completed and all youth have been picked up.
10. Lessee agrees to comply with all laws of the United States, the State of Texas, all ordinances of the City of Highland Village, Texas and all rules and regulations adopted by the City Council of the City of Highland Village, Texas, governing the use of the facility.
11. Damage to facility, or leaving the pavilion and surrounding area littered with trash will result in loss of deposit. Should the damage deposit not cover damages or additional man hours expended to return the pavilion, or surrounding park area back to its original state, the lessee will be charged for expenses that exceed the deposit.

As the Lessee, I (please print name) _____ agree, to the rules and terms of use as stated above. I understand, and agree, that failure to do so may result in additional cost and forfeiture of all or a portion of my deposit.

Lessee Signature _____ Date _____

Staff : _____

3/22/17

City of Highland Village Parks & Recreation

Doubletree Ranch Park Facility Rental Application

Today's Date: _____ Event/Rental Date: _____

Applicant Name: _____ Date of Birth: _____

Organization Name (if applicable): _____

Phone No.: _____ Other: _____ Emergency: _____

Address: _____ City/State: _____ Zip: _____

Email Address: _____

Requested Doubletree Ranch Park Facility / Facilities (check all that apply):

Open Air Pavilion _____
Barn Party Room, Room 102 _____
Barn Open Area, Room 101 _____

Type of Function: _____

Requested Rental Time: _____ to _____ (include setup & breakdown/clean up)

Briefly describe your event. Include the purpose of the event and planned activities:

Expected Attendance: Adults _____ Children (under age 18) _____ Total _____

Other:

Do you plan to apply for an alcohol permit? _____ No _____ Yes, if yes see below:

NOTE: The consumption of alcoholic beverages at any function will require the approval of the Highland Village Chief of Police as outlined in the City of Highland Village Code of Ordinances, Article II, Licenses and Permits, Section 10; 21 – 24. Application for Alcohol Permit may be processed at the Parks and Recreation Administrative office. A non-refundable administrative processing fee of \$50.00 will be charged for all Alcohol Permits.

City of Highland Village

Doubletree Ranch Park

Rental Policies, Procedures & Agreement

PURPOSE

The purpose of this policy is to establish guidelines for public use of the Doubletree Ranch Park rental facilities.

RESERVATIONS:

Confirmed reservations may be made by execution of this Doubletree Ranch Park Rental Agreement. This Rental Agreement must be executed and all fees, including associated deposits (Attachment A), are due at the time of reservation.

Reservations will be made on a first-come first-serve basis. Reservations may be made up to twelve (12) months in advance of reservation date, and one business day in advance of the date of requested rental. The reserving party (the lessee) must be present for the duration of the event. The lessee also assumes full responsibility for the conduct of their invited guests and for any damages or disrepair to the facility. The lessee must be at least eighteen (18) years old.

No subletting of pavilion, Barn rental room(s), (the facility) is permitted.

The City reserves the right to deny use of or cancel use of facility with just cause.

DAMAGE DEPOSIT

The damage deposit will be assessed in accordance with the approved rental rate structure. The deposit will be refunded within three business weeks of event less cost for damage repair, replacement or clean up expenses. The lessee will be held liable for actual damages and billed for excessive damages above the deposit amount.

CANCELLATIONS

In order to receive a full refund of deposit(s), notification of cancellation must be in writing and received no later than thirty (30) days prior to the event date. Notification of cancellation received after this deadline will result in a forfeiture of the entire deposit. The lessee will forfeit their rental fee(s) and deposit(s) if cancellation is received less than 72 hours before the time of occupancy.

Lessee Initial: _____ Staff Initial: _____

3/23/2017

GENERAL RULES

1. The use of all tobacco products is prohibited. Equipment that produces special effects such as a smoke machine, fog machine, and bubble machines are prohibited.
2. The consumption of alcoholic beverages at any function will require the approval of the Highland Village Chief of Police as outlined in the City of Highland Village Code of Ordinances, Article II, Licenses and Permits, Section 10; 21 – 24. Application for Alcohol Permit may be processed at the Parks and Recreation Administrative office. A non-refundable administrative processing fee of \$50.00 will be charged for all Alcohol Permits.
3. Neither the corridors, passageways, nor exits shall be obstructed by lessee, nor shall they be used for any purpose other than ingress or egress.
4. Lessee shall not admit to the premises a larger number of persons than the established occupancy rates.
5. Youth functions require two adult chaperons 21 years of age or over for rentals of 1 – 50 youth. One additional adult chaperon 21 years or older is required for every 25 additional youth. Chaperons shall be present when the event starts and shall not leave during or before the event is completed and all youth have been picked up.
6. Set up time and clean up times are included in the rental period.
7. No cooking is allowed in the facility. Catering is allowed with self contained warming units. Chafing fuel allowed when utilizing chafing dishes.
8. The lessee is responsible for their own safety and the safety of those associated with their event during the installation, display, and removal of all decorations. Free standing and table decorations are allowed. The use of duck tape, tacks, pushpins, nails, staples or damaging fixtures may not be used on the walls, ceilings, or floors. Helium tanks must be secured to a load bearing structure upon arrival and remain secured until their departure. Candles are not allowed. No other types of open flames are allowed. Battery operated lighting is acceptable. Prohibited items are as follows: straw, hay, rice, glitter, confetti and fireworks. The throwing of sterilized birdseed and the use of bubble is restricted to the outside areas only.
9. Lessee will not post, exhibit, or allow to be posted or exhibited, any signs, advertisements, show bills, lithographs, posters or cards of any description, outside of the building, except as authorized by the Director of Parks and Recreation. Lessee agrees to immediately remove all signs, advertisements, show bills, or other materials which are objected to by the Director of Parks and Recreation or his or her representative.
10. Set up and arrangement of tables and chairs in the Barn facility or pavilion is the

Lessee Initial: _____ Staff Initial: _____

3/23/2017

responsibility of the lessee. All City owned furnishings utilized in the Barn facility (chairs, chair carts and tables) may only be only be used in the Barn facility, rooms 101 and 102 and must be returned to the storage area in good clean condition and storage doors locked upon conclusion of rental.

Any picnic tables moved at the pavilion must be re-located to their original location. Lessee is allowed to rent other/additional tables, chairs, decoration pieces, etc. at Lessee expense without prior approval of City staff. Equipment, supplies, or personal effects may not be stored or left in/at the facility after rental.

11. All users shall return the facilities in the same conditions as when received. Lessee is responsible for cleanup of all areas/rooms in the facility that were utilized during their rental. All trash shall be removed immediately after the event to the outside dumpsters. All surfaces should be clean: floors, tables, chairs, and walls. Parking lot areas should not show evidence of event. Brooms and mops will be provided for sweeping and mopping. Lessee is responsible for bringing in their own cleaning supplies. Trash bags will be provided.
12. Special request must be submitted in writing to the Director of Parks and Recreation who has the authority to make exceptions for special circumstances and or requests.
13. **Animals.** No animals will be brought into the Barn facility, other than as required by handicapped persons or for an event designated as an animal show, dog obedience classes etc. without written permission from the Parks and Recreation Director.
14. Security may be required for certain events as determined by the Director of Parks and Recreation in consultation with the Highland Village Police Department. The lessee is responsible for paying the peace officer in advance of rental as part of overall rental fee expenses. Rate of pay is \$40/hour. City Parks and Recreation Department staff, peace officers, and other designated representatives, shall have the right at any time to enter any portion of the premises for any purpose whatsoever, and the entire building, including the premises covered by this agreement.
15. Lessee agrees to and shall indemnify and hold harmless the City of Highland Village, its officers, agents and employees, from and against any and all claims, losses, damages, causes of action, suits and liability of every kind, attorney's fees, for injury to or death of any person, or for damage to any property, arising out of or in connection with the use of the premises by lessee, its agents, representatives, assigns, invitees, and participants under this agreement. Such indemnity shall apply where the claim, loses, damages, causes of action, suits or liability arise in whole or in part from the negligence of the City of Highland Village.
15. Lessee agrees to comply with all laws of the United Sates, the State of Texas, all ordinances of the City of Highland Village, Texas and all rules and regulations adopted by the City Council of the City of Highland Village, Texas, governing the use of the facility.

Lessee Initial: _____ Staff Initial: _____

3/23/2017

As the Lessee, I (please print your name) _____ agree, to the rules and terms of use as stated in this lease agreement. I understand, and agree, that failure to do so may result in additional cost and forfeiture of all or a portion of my deposit.

Lessee Signature _____ Date _____

City of Highland Village Staff: _____ Date _____

OFFICIAL USE ONLY:

Rental Fee Paid \$ _____ Permit No. _____ Check No. _____ Paid by Cash _____ Paid by Credit _____

Deposit Fee Paid \$ _____ Deposit Fee Refunded: Amount \$ _____ By: _____

Refund Requested: Date: _____ By: _____ Amount: \$ _____

Refund Amount Withheld: _____ Comments: _____

Approved: _____ Denied: _____ Date Processed: _____ Staff Initial: _____

Comment: _____

Rental Rates, Occupancy Rates, Parking Availability

Rental Rates:

Pavilion

Full Day Rental	\$200.00 Resident	\$240.00 Non-Resident
Half Day Rental (5 hours)**	\$100.00 Resident	\$120.00 Non-Resident

**Half Day Rentals Available: 6:00 am - 1:30 pm or 2:30 pm - 10:00 pm

Concession/Barn Building Party Room 102 & Open Area Room 101

Residents \$30 Per Hour / 2 Hour Minimum, \$20 for each additional hour thereafter within respective time block noted below (to include set up and clean up)

\$100 Refundable Damage/Cleaning/Key Deposit

Non-Residents \$36 Per Hour / 2 Hour Minimum, \$26 for each additional hour thereafter within respective time block noted below (to include set up and clean up)

\$100 Refundable Damage/Cleaning/Key Deposit

Wedding Package \$1000.00 includes use of the Barn Open Air Room, Party Room and Pavilion all day.

Occupancy Rates:

Party Room/Room 102	With tables/chairs	44
	Without tables/chairs	82
Open Area/Room 101	With tables/chairs	91
	Without tables/chairs	172

Rentals Available During These Time Blocks: 8:00 AM - 12:00 PM
1:00 PM - 5:00 PM
6:00 PM - 10:00 PM

Facility/Room Size:

BARN - Party Room 102 30'3" x 22'.9"
BARN - Open Area 101 53'7" x 26'9"
Open Air Pavilion 119' x 111'

Tables and Chairs Available with Rentals:

Room 102 – Party Room	4	60" Round Tables	Color: White Granite
	32	Folding Chairs	Color: White Granite
	2	72" x 30" Tables	Color: White Granite
Room 101 – Open Area	8	60" Round Tables	Color: White Granite
	64	Folding Chairs	Color: White Granite
	4	72" x 30" Tables	Color: White Granite
Open Air Pavilion	6	Moveable stainless steel 5 seat pedestal picnic tables	
	6	Pedestal picnic tables with bench seating for 8, fixed in place/non moveable	
	4	6' long benches in and around pavilion, fixed in place/non moveable	

Parking Availability at Doubletree Ranch Park:

There are two lots located at Doubletree Ranch Park.

The lot closest to the open air pavilion, Barn/concession building, and splash pad area has 117 parking spaces (includes ADA compliant parking spaces).

The lot closest to the soccer/athletic fields has 155 parking spaces (includes ADA compliant parking spaces).

Facility Features:

Room 102 – Party Room Has heating and air conditioning.
Room 101 – Open Area Has two extra large ceiling fans and heating.
Open Air Pavilion Has two extra large ceiling fans.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.6

Consider and act on ordinance of the Town of Hickory Creek, Texas amending the Town of Hickory Creek Code of Ordinance by adopting a right-of-way management ordinance; establishing regulations for construction, placement, and excavation in rights-of-way and public easements; amending the master fee schedule to adopt fees for the administration of the right-of-way management ordinance.

**TOWN OF HICKORY CREEK, TEXAS
ORDINANCE 2017-08-770**

AN ORDINANCE OF THE TOWN OF HICKORY CREEK, TEXAS AMENDING THE TOWN'S CODE OF ORDINANCES BY ADOPTING A RIGHT-OF-WAY MANAGEMENT ORDINANCE; ESTABLISHING REGULATIONS FOR CONSTRUCTION, PLACEMENT, AND EXCAVATION IN RIGHTS-OF-WAY AND PUBLIC EASEMENTS; AMENDING THE MASTER FEE SCHEDULE TO ADOPT FEES FOR THE ADMINISTRATION OF THE RIGHT-OF-WAY MANAGEMENT ORDINANCE; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FOR FINDINGS; PROVIDING FOR AMENDMENT; PROVIDING FOR A CUMULATIVE REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Hickory Creek is a Type A General Law Municipality located in 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

WHEREAS, the Town is charged with maintaining control of and access to the right-of-way in order to protect the public health, safety, and welfare; and

WHEREAS, the Town Council of the Town (the "Town Council") has determined that excavations in Town streets may significantly interfere with the public use of the streets and resulting in negative impact to public safety, air quality, level of service on streets and sidewalks, and aesthetics of the community; and

WHEREAS, the Town Council finds excavations in paved streets significantly degrade and shorten the life of the surface of the streets, and increase the frequency and cost to the public of requisite resurfacing, maintenance, and repair; and

WHEREAS, the Town Council has determined that substantial public funds have been invested to build, maintain and repair the Town streets and utilities and the Town holds these streets and utilities as an asset in trust for its citizens; and

WHEREAS, it is desirable to adopt regulations to protect the structural integrity of Town streets and safeguard the value of the public investment of the benefit of Town residents by providing incentives to reduce the number of excavations in Town streets, which will also reduce the number of service disruptions and excavations; and

WHEREAS, the Town Council has determined that adoption of a right-of-way ordinance will comply with and promote the regulations in Chapter 283 of the Texas Local Government Code

pertaining to Certificated Telecommunications Providers as well as the Texas Utilities Code and Chapter 284 of the Texas Local Government Code.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS:

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2
FINDINGS

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

SECTION 3
AMENDMENTS

3.01. That the Hickory Creek Code of Ordinances Chapter 13: Utilities is hereby amended by adding a new Article 13.06 entitled Right of Way Management, which shall read as follows:

"ARTICLE 13.06 RIGHT-OF-WAY MANAGEMENT

DIVISION 1. STANDARDS

Sec. 13.06.001 Thoroughfare and circulation design standards

Ordinances concerning the establishment of engineering design standards and construction design requirements in effect at the time of adoption of this Code, as amended, are incorporated by reference as if set forth herein.

Sec. 13.06.002 Construction standards for paving and drainage facilities

Ordinances concerning general construction standards for paving and drainage facilities, in effect at the time of adoption of this Code, as amended, are incorporated by reference as if set forth herein.

Sec. 13.06.003 Exclusive control of streets

No entity, including other political subdivisions of the state, may extend a street into the Town's corporate limits or connect a street to an existing Town street without the prior written approval of the Town council.

DIVISION 2. RIGHT-OF-WAY MANAGEMENT

Sec. 13.06.004 Administration

The Town Administrator, or his/her designee, shall appoint a right-of-way manager, who is the principal Town official responsible for the administration of the right-of-way, right-of-way permits, the regulation of same and ordinances related thereto. The right-of-way manager may delegate any or all of the duties hereunder. The right-of-way manager shall have the duties, responsibilities and authority as specified for the right-of-way manager stated herein.

Sec. 13.06.005 Definitions

The following definitions apply in this article. The terms, phrases, words, abbreviations and their derivations shall have the same meanings herein. When not inconsistent with the context words used in the present tense include the future; words in plural number include the singular number, and words in the singular include the plural. The word “shall” is mandatory and not merely permissive.

Abandoned facilities means facilities no longer in service or physically disconnected from the operating facilities, or from any other facilities, or from any other facilities that are in use or that still carry service.

Administration fee means the fee charged by the Town to recover its costs incurred for right-of-way management; including, but not limited to, costs associated with registering applicants; issuing, processing, and verifying right-of-way permit applications; inspecting job sites and restoration improvements; determining the adequacy of the right-of-way restoration; revoking right-of-way permits and other costs the Town may incur in implementing the provisions of this article.

Applicant means an owner or authorized agent of an owner, who submits an application for a permit under the provisions of this article.

Area of influence means that area around a utility excavation where the pavement and sub-grade is impacted by the excavation and is subject to more rapid deterioration due to the trench excavation.

Backfill means the following:

- (1) The placement of new dirt, fill, or other material to refill an excavation; or
- (2) The return of excavated dirt, fill or other material to an excavation.

Certificated Telecommunications Provider or “CTP” means a person who has been issued a certificate of convenience and necessity, certificate of operating authority, or service provider certificate of operating authority by the Texas Public Utility Commission or “PUC” to offer local

exchange telephone service or a person who provides voice service as defined by V.T.C.A., Local Government Code ch. 283 or “the Act”.

Town means the Town of Hickory Creek, Texas and the Town’s officers and employees.

Town project means the construction, location, maintenance, relocation, alteration, improvement, repair, removal or other work performed by the Town, or its designee, in the public right-of-way or on any Town utilities or Town facilities.

Town utilities means any water, sewer or drainage line or services owned and operated by the Town.

Compaction refers to consolidating backfill material in a trench to prevent future settlement.

Comprehensive plan means the Town’s comprehensive plan, as it exists or may be amended.

Construction means boring, the breaking of pavement, or the installation, modification, upgrade, maintenance, removal, or similar activities, within the right-of-way. The definition includes, but is not limited to, providing primary service, restoration, or maintenance of existing facilities within the right-of-way.

Contractor means any public or private person, subcontractor or organization, other than the Town.

Day means business day unless otherwise specified.

Department means the Town department of public works or a successor department that is responsible for management of the right-of-way and roadway infrastructure.

Emergency operations are defined as those operations and repairs necessary to prevent damage or injury to the health or safety of the public or any person and the work necessary to address or prevent an immediate service interruption. Upgrading of facilities, new service installation and neighborhood improvement projects are not emergency operations.

Excavation means any activity that removes or otherwise disturbs soil, pavement, driveways, curbs, or sidewalks in the right-of-way and does not include landscaping activity unless the activity removes or disturbs the paved portion of the right-of-way.

Facilities means the equipment, and property, including but not limited to, lines, poles, mains, pipes, conduits, ducts, cables, valves, manholes, handholes and wires located under, on, or above the surface of the ground within the right-of-way, and related facilities and equipment used or useful for the provision of utility services.

FCC means the Federal Communications Commission.

Governing body means the mayor and the Town council of the Town of Hickory Creek, Texas.

Governmental entity means any county, township, Town, town, village, school district, library district, road district, drainage or levee district, sewer district, water district, fire district or other municipal corporation, quasi-municipal corporation or political subdivision of the state or of any other state of the United States and any agency or instrumentality of the state or of any other state of the United States.

Holiday shall refer to days in which Town offices are closed in observance of a holiday.

Main line shall refer to lines other than service connections used to convey the right-of-way user's product.

Major project means any project, which includes 300 or more linear feet of excavation or any excavation under pavement.

Network node means equipment at a fixed location that enables wireless communications between user equipment and a communication network.

Network Provider means a wireless service provider, or a person that does not provide wireless services and that is not an electric utility but builds or installs, on behalf of a wireless service provider, network nodes or node support poles or any other structure that supports or is capable of supporting a network node.

Pavement shall refer to streets containing Portland cement, asphalt, brick or other rigid or semi-rigid material that covers the surface of a street and their underlying subgrade and base.

Permit means a permit issued under this article authorizing excavation in the right-of-way.

Permittee means any person or right-of-way user to whom a permit is issued to excavate a right-of-way.

Perpendicular excavations means any trench with a centerline that when projected toward the centerline of the street, the two lines intersect at an angle of 90 degrees.

Person means any person, company, partnership, contractor, subcontractor, agency or other public or private entity, excepting the Town.

Public inconvenience penalty shall refer to a penalty assessed to the right-of-way user who denies the public the use of public property for a time period greater than allowed by this article.

PUCT means the Public Utility Commission of Texas.

Registration means the annual application process of the right-of-way user to use any portion of the right-of-way.

Registration certificate shall refer to the document provided by the Town, annually, upon approval of the application for registration.

Repair means the temporary or permanent construction work necessary to make the right-of-way useable.

Repair area means that area around excavation where the pavement and subgrade is impacted by an excavation.

Restoration means the process by which an excavated right-of-way and surrounding area, including, but not limited to, pavement and foundation structures, ground cover, landscaping, and monuments are returned to the same condition, or better than that which existed before the commencement of the work.

Resurfacing means any repaving, overlay, seal or reconstruction which creates a new pavement surface over the entire width of the street, excluding crack seals and localized base and pavement repairs.

Right-of-way or public right-of-way means the surface of, and the space above and below, any street, road, highway, freeway, tollway, lane, path, drainageway, channel, fee interest, public way or place, sidewalk, alley, boulevard, parkway, drive, fire lane or other easement now or hereafter held by the Town or over which the Town exercises any rights of management or control and shall include, but not be limited to, all easements now held, or hereafter held, by the Town, but shall specifically exclude private property.

Right-of-way manager means the right-of-way manager of the Town, or his designee.

Right-of-way user means a person, its successors and assigns, that uses the right-of-way for purposes of work, excavation, provision of services, or installing, constructing, maintaining, or repairing facilities thereon, including, but not limited to, landowners and service providers.

Routine service operation means a work activity that makes no material change to the facilities and does not disrupt traffic.

Service means a commodity provided to a person by means of a delivery system that is comprised of facilities located or to be located in the right-of-way, including, but not limited to, gas, telephone, cable television, Internet services, open video systems, alarm systems, steam, electric, water, telegraph, data transmission, petroleum pipelines, or sanitary sewage.

Service connection shall refer to the line that serves no more than two individual customers or two meter banks.

Street means the paved portion of the right-of-way, whether fee or easement, that has been constructed, reconstructed, or resurfaced with concrete or asphalt or some other surface.

Surface mounted markers refers to any sign, post or other marker, which rises above the surface of the ground to show the location of an underground utility.

Thoroughfare means all roadways and streets classified on the Town's comprehensive plan, as it exists or may be amended, including but not limited to a highway, tollway, major thoroughfare, minor thoroughfare, major collector, minor collector or local collector.

TMUTCD means the Texas Manual on Uniform Traffic Control Devices, as it exists or may be amended.

Traffic control representative shall refer to the designated representative of the right-of-way user who is responsible for work zone safety and compliance with TMUTCD. The right-of-way user shall ensure such person has adequate training, knowledge and authority to perform the responsibilities listed above.

Transport Facility means each transmission path physically within a public right-of-way, extending with a physical line from a network node directly to the network, for the purpose of providing backhaul for network nodes.

Trench shall refer to excavation deeper than 12 inches. This shall include linear trenches, holes, pits and etc.

Underground Facility Damage Protection Safety Act shall refer to the V.T.C.A., Utilities Code sec. 251.001 et seq. as it exists or may be amended.

Utility means any privately or publicly owned entity which uses right-of-way to furnish the public any general public service, including, without limitation, sanitary sewer, gas, electric, water, telephone, petroleum products, telegraph, heat, steam or chilled water, together with the equipment, structures, and appurtenances belonging to such entity and located within and near the right-of-way. Poles are regulated herein only as specifically set forth in this article.

White lining means marking the excavation site with white washable marking paint or flags prior to requesting a utility location in order to further identify the site.

Wireless service means any service using licensed or unlicensed wireless spectrum, including the use of wi-fi, whether at a fixed location or mobile, provided to the public using a network node.

Wireless service provider means a person that provides wireless services to the public.

Sec. 13.06.006 Utility coordinator

Each utility and right-of-way user shall name a utility coordinator who shall be the representative and point of contact for all communications from the Town and who shall meet with the right-of-way manager when so requested.

Sec. 13.06.007 Field utility coordination

(a) The right-of-way user shall notify the department at each of the following times during a project:

- (1) Forty-eight hours before the start of construction;
- (2) Upon completion of the initial backfill; and
- (3) Upon completion of the project.

The right-of-way user shall make a request for a utility locate in compliance with the Underground Facility Damage Prevention and Safety Act.

(b) The use of markers, stakes, poles, barricades or other devices shall be used in such a way to avoid damage to adjoining property. The use of “nonwashable” markers is prohibited.

(c) Compliance with the Texas Utilities Code, as amended, is required at all times.

(d) All barricades, plates, cones, traffic directional equipment and all other traffic control devices owned, leased or used by the right-of-way user and used on or near any excavation shall be clearly and visibly marked with the name of the permittee and/or right-of-way user or subcontractor, as applicable, at all times such equipment is used on or near the right-of-way. An exception to the marking requirement may be made in the sole discretion of the right-of-way manager in the event the traffic control equipment is not owned by the permittee or right-of-way user.

Sec. 13.06.008 Maps and records of registrants

(a) Within 30 days of passage of this article, each right-of-way user shall provide the Town an accurate map of their service area. The map shall be in electronic format overlaid over the Denton County and North Central Texas Council of Governments digital map, as applicable. In dual coverage areas, the Town may request additional information to enable identification of right-of-way users.

(b) Each right-of-way user must maintain accurate maps and records of its facilities. If available, the Town's road network may be provided in digital format upon request. The right-of-way user is encouraged to maintain their system maps geo-referenced to the Town's geodetic network, which is on the Denton County digital map or the North Central Texas Council of Governments digital map, as applicable. The map should include true bearings and distances to the nearest established street lines and official monuments, which shall be accurately described on the map. The right-of-way user will provide the Town with digital information within 90 days of a request for maps from the Town for any user with less than 50 miles of utilities within the Town. All other right-of-way users shall provide the digital information within one year of the request. Thereafter, the data is to be provided to the Town on an annual basis by January 1.

(c) If the maps and records submitted in response to any request by or requirement of the Town include information expressly designated by the right-of-way user as a trade secret or other confidential information protected from disclosure by state law, the Town and its agents, employees, or other representatives may not disclose that information to the public without the consent of the right-of-way user, unless otherwise compelled by an opinion of the attorney general pursuant to the Texas Public Information Act, as amended, or by a court having jurisdiction of the matter pursuant to applicable law. This subsection may not be construed to authorize a right-of-way user to designate all matters in its maps and records as confidential or as trade secrets.

Sec. 13.06.009 Notice

Notice for purposes of this article shall be made to the Town via electronic message (e-mail), overnight courier (generally used carrier with tracing available) or hand delivery with signed receipt, facsimile to the department, or United States mail return receipt required.

Sec. 13.06.010 Registration

(a) Nothing in this section relieves a right-of-way user and/or utility from obtaining a permit under this article to perform work in the right-of-way.

(b) In order to protect the public health, safety, and welfare, a utility maintaining or operating existing facilities in the right-of-way must register with the right-of-way manager in accordance with the following requirements:

(1) The registration must be on a form furnished by the right-of-way manager and made in the name of the right-of-way user that owns the facilities.

(2) Registration expires December 31 of the following year after the first registration occurs. If the utility fails to renew registration by that date, the Town will send by

certified mail a notice of noncompliance to the address listed on the registration. If the utility fails to renew registration within 30 calendar days after the date of sending the notification, the facilities of the utility will be deemed to have been legally abandoned.

(3) If information provided as part of the registration changes, the utility must inform the right-of-way manager, in writing, not more than 30 days after the date the change occurs.

(4) The utility shall also include the following registration:

a. The name of the utility using the right-of-way, including any business name, assumed name, or trade name the utility operates under or has operated under in the Town within the past five years.

b. If the utility is a CTP, the certificate number issued by the Texas Public Utility Commission.

c. The ordinance number of any franchise or license issued by the Town that authorizes the utility to use the right-of-way.

d. The names, addresses and telephone numbers of at least two persons who will be general, day-to-day contacts for the utility. At least one of the addresses must be within the Dallas/Fort Worth metropolitan area.

e. The name and mailing address of the officer or agent designated as the person authorized to receive service of process on behalf of the utility.

f. The name, address and telephone number of any contractor or subcontractor, who will be working in the right-of-way on behalf of the utility. This list may be amended as needed by the utility; however, no work shall be performed in the right-of-way by a contractor or subcontractor that is not on the list, regardless of whether a permit is required.

g. The names and telephone numbers of at least two persons serving as emergency contacts who can be reached by telephone 24 hours a day, seven days a week. The telephone numbers should be accessible without the Town having to pay long distance telephone or toll charge.

h. Proof of existing insurance that complies with Division 4.

(c) Upon completion of registration, the Town will provide the right-of-way user a registration certificate valid until the end of the calendar year during which the registration was completed. The

right-of-way user may make as many photocopies of the registration certificate as necessary. The right-of-way user is responsible for ensuring that all contractors, listed in accordance with subsection (b)(4)(f) above have a copy of the registration certificate on site when work is being conducted under the provisions of the registration certificate.

Sec. 13.06.0011 Traffic handling training

The right-of-way user is responsible for work zone safety including, but not limited to, traffic control through the designated traffic control representative. The representative is responsible for compliance with the TMUTCD and the traffic control plan (if required) at all work zone sites. The traffic control representative shall ensure employees on the job site have adequate training.

Sec. 13.06.012 Reporting obligations

All right-of-way users shall, upon request, provide proof of any necessary permit, license, certification, grant, registration, franchise agreement or any other authorization required by any governmental entity, including, but not limited to, the Town, state, or federal government, or railroad or pipeline company, including a description of the right-of-way user's intended use of the right-of-way, information sufficient to determine whether the right-of-way user is subject to franchising or licensing by the Town, and information to determine whether the right-of-way user has applied for and received any certificate of authority required by the PUCT. The information provided shall be sufficient enough to determine whether the right-of-way user has applied for and received any permit or other approvals required by the FCC. Right-of-way user shall provide all such other information as may be reasonably required by the Town to complete the registration statement.

Sec. 13.06.013 Surface mounted markers

Where surface mounted markers are needed, curb mounted medallions shall be used whenever possible.

Sec. 13.06.014 Relocation of facilities for Town projects and public improvements

(a) In the exercise of governmental functions, the Town has first priority over all uses of the right-of-way. The Town reserves the right to, among other things, lay water, sewer, drainage, and other pipelines or cables and conduits, and to do underground and overhead work, and attachments, restructuring, or changes in street facilities in across, along, over, or under a public street, alley or right-of-way occupied by an agency or right-of-way user, and to change the curb, sidewalks, or the grade of streets.

(b) The right-of-way user must relocate its facilities, at its own expense and in accordance with Section 13.06.039, prior to the start of construction of a Town project. Failure to comply with this provision shall subject the right-of-way user to the enforcement provisions contained herein.

- (c) A permit will be required when making facility adjustments in preparation for Town projects.

Sec. 13.06.015 Permit required

It is unlawful for any person, its agents, servants or employees to dig, plow, blast, make cuts, openings, bore, tunnel, excavate or close lanes on a thoroughfare without first having made application and obtained a permit therefore in compliance with the Public Right-of-Way Permitting and Construction Manual, promulgated and amended by the right-of-way manager, except for as allowed by this section. It is unlawful for any person, its agents, servants or employees to make or cause to be made any excavation in or under the surface of any right-of-way for the installation, repair or removal of any facilities, or for any other purpose without first obtaining from the right-of-way manager a permit in compliance with this article.

(1) Before issuing a permit, the right-of-way manager shall have been provided a written application, on a form furnished by the right-of-way manager, setting forth the name and residence or business address of the applicant; the location and approximate area of the excavation, including its approximate length and width, and, if the excavation is in a street, whether it is parallel or transverse to the direction of the travel lanes; and, the purpose of the excavation. The application form shall include plans prepared in accordance with Town specifications. Plans shall be drawn at a reasonable scale that legibly and accurately show all existing improvements and proposed work. All proposed work must be shown in heavy or bold type lines and fonts. If proposed work is in phases or part of another overall drawing, show all existing and future work in lighter or faded out lines and fonts. If right-of-way user cannot show distinctive line weights, the plans shall clearly label the above information using text. When required by the Texas Engineering Practice Act, as amended, the plans must be sealed by a professional engineer licensed to practice in the state.

(2) At the time the permit is issued, the applicant shall pay a nonrefundable permit application fee in an amount as provided for in the master fee schedule of the Town.

(3) The proposed location, depth and other characteristics of any facilities for which the permit is issued shall be subject to approval of the right-of-way manager, and all backfilling, compaction and pavement restoration performed for any excavation shall comply with the requirements of this article.

(4) No fee or requirement authorized or imposed pursuant to this article shall be construed to affect or alter in any way any obligation of public and/or private utilities with facilities installed in any right-of-way to relocate the facilities, at no cost to the Town, subject to state law, if applicable, in the event that relocation is required by the Town to accommodate a proper governmental use of the right-of-way.

- (5) Combinations of permits shall be permitted at the sole discretion of the right-of-way manager. Fees shall be assessed based on the excavations permitted.
- (6) Subdivision monuments, historical markers, and any other signs or structures with foundations in the right-of-way, excluding billboards, are subject to this article.

Sec. 13.06.016 Exceptions to required permit

(a) The right-of-way manager reserves the right in his discretion to require a right-of-way permit on service connections. Unless otherwise required by the right-of-way manager, service connections do not require a permit if all of the following conditions are met:

- (1) The service connection excavation shall not exceed four feet inside the right-of-way to property line;
- (2) All excavation shall be in accordance with service connection drawings;
- (3) The address for the service connection is on the Town provided form, which is submitted to the right-of-way manager via e-mail. Work shall not begin until the electronic form is transmitted to the right-of-way manager;
- (4) The excavation required is less than 12 inches in depth;
- (5) The excavation is no wider than two inches or is hand dug; and
- (6) The service connection does not require boring.

(b) Irrigation system installation requires a permit per existing Town codes.

Sec. 13.06.017 Permit application

(a) Application for a permit shall be addressed to the right-of-way manager and made on a form furnished for that purpose, stating the extent, dimensions, character and purpose of the cut or excavation to be made, the location, by street and number if possible, where the work is to be done, and the time in which it is to be completed. The application form shall be accompanied by maps of the existing facilities in the area, to the extent available, and the location of the proposed facilities, methodology of construction, and proposed start and completion dates. When the work includes excavating, which will exceed five feet in depth, a trench safety design sealed by a licensed professional engineer shall also accompany the application, unless otherwise provided by law.

(b) A permit shall only be valid for the area of the right-of-way specified within the permit. No permittee may cause any work to be done outside the area specified in the permit, except as provided

herein. Any permittee who determines that an area is greater than that which is specified in the permit must apply for and receive a new right-of-way permit.

(c) Fees shall apply to all right-of-way users unless governed by an existing agreement with the Town. Applicants may apply jointly for permits to excavate the right-of-way at the same time and place. Applicants who apply jointly for a right-of-way permit may share in the payment of the permit fee. Applicants must agree among themselves as to the portion each shall pay. The Town will recognize only one point of contact.

(d) Permits will be issued or denied within ten (10) days of the Town receiving a complete application. Permits shall be valid for the dates specified in the permit. The applicant may request but is not guaranteed the permit be valid for such longer period as may be necessary in the circumstances, in advance, as part of the application. The Town may approve or deny the application for such extended permit period. No permittee may commence work before the permit start date and, except as provided herein, no permittee may continue working after the end date. If a permittee does not complete the work by the permit end date, the permittee must apply for and may receive a new right-of-way permit or a permit extension for additional time. This supplementary application must be submitted to the Town prior to the permit end date. Applicants are encouraged to request a pre-submission meeting for large projects.

(e) An expedited permit may be requested, and shall be issued or denied within five (5) days of application upon a showing of good cause, as solely determined by the right-of-way manager.

Sec. 13.06.018 Issuance of permit

Every person making application for a permit in accordance with the provisions of this article, and having complied with such provisions, shall be entitled thereto, and, upon filing such application with the right-of-way manager, it shall be his duty to issue the permit, when the provisions of this article have been complied with.

(1) Upon receiving a written application for a permit and a plan prepared in accordance with the Town specifications, the right-of-way manager's designee shall set forth all requirements, approve or disapprove the application, sign and return it to applicant. Excepting only emergency excavations, at least forty-eight (48) hours prior to the start of work, the applicant shall notify the right-of-way manager the date the work will commence when traffic control devices are necessary on a thoroughfare.

(2) No permit shall be transferable. A permit shall be void unless the excavation to be made pursuant thereto is commenced within the time stated therein and the work diligently completed.

(3) Each permit shall state a time period for completion of all the work to be done hereunder. The right-of-way manager may in his sole discretion, grant extensions of time.

(4) No person in violation of any requirement of this article shall be issued an excavation permit, nor shall any contractor or agent apply for or be issued a permit on the person's behalf, until the outstanding violation is/are corrected or a plan for correction is approved by the right-of-way manager. The foregoing requirement is in addition to any penalty or remedy for violation that may be imposed or sought by the Town at law or equity.

(5) No work shall be done under any permit issued under this article except as stated in the permit. If the permit is allowed to expire, the right-of-way user shall procure a new permit, paying the applicable fee, prior to proceeding with any such work.

Sec. 13.06.019 Posting of signs

The right-of-way user and contractor (if used) shall be identified by three feet by three feet information signs on all work requiring a permit. The signs shall state the name and phone number of the right-of-way user and contractor (if used). The signs shall be placed in the right-of-way on each approach to the location where construction is occurring from the time of the beginning of work in the right-of-way and shall continue to be posted at the location during the entire time the work is occurring.

Sec. 13.06.020 Excavation to be under supervision of the right-of-way manager

(a) Any right-of-way user engaged in making or backfilling any excavation in any right-of-way shall, at all times while such work is in progress, keep at the job location the permit, or a copy thereof, and shall provide of the same, when requested by any authorized Town employee. At all times while the work is in progress, the right-of-way user shall also maintain, at the job location, a sign, barricade or other device bearing the right-of-way user's name.

(b) The right-of-way user shall protect from damage, utility conduits, sewer conduits, water conduits, lawns, shrubbery, trees, fences, structures, irrigation, sidewalks, streets, signs, street lights, or other property at, near or encountered in its work. The right-of-way user shall determine the boundary of the right-of-way.

(c) All excavations and other construction in the streets shall be conducted so as to interfere as little as practicable with the use of right-of-way and with the use of private property, in accordance with any lawful and reasonable direction given by or under the authority of the governing body of the Town pursuant to the policy and regulatory powers of the Town necessary to provide for public convenience. The right-of-way user shall not trespass upon private property. The right-of-way user

shall determine the boundary between right-of-way and private property and place stakes/markers indicating the boundary to remain in place for the duration of the work.

(d) The Town reserves the right to among others, lay, and allow to be laid, electric, sewer, gas, water and other pipe lines or cables and facilities, as well as drainage pipes, and channels and streets, and to perform, and allow to be performed, any underground and overhead installation or improvement that may be deemed necessary or proper by the governing body of the Town, in, across, along, over or under any right-of-way or public place occupied by a right-of-way user and to change any curb or sidewalk or the grade of any street and to maintain all of the Town's facilities. In allowing such work to be performed by others, the Town shall not be liable to a right-of-way user for any damage caused by those persons or entities. Nothing herein shall relieve any third party from responsibility for damages caused to a right-of-way user by such third party.

(e) All transmission and distribution structures, lines, equipment and facilities erected by a right-of-way user within the Town shall be so located as to cause minimum interference with the proper use of the right-of-way, and to cause minimum interference with the rights and reasonable convenience of property owners who join any of said streets. No pole may be placed in an area prohibited by another section of this article or which interferes with the public's unimpeded use of the right-of-way.

(f) If the Town requires a right-of-way user to adapt or conform its facilities, or in any way or manner to alter, relocate or change its property to enable any other corporation or person, except the Town, to use, or to use with greater convenience, any right-of-way or public place, the right-of-way user shall not be required to make any such changes until such other corporation or person shall have undertaken, with solvent bond, to reimburse a right-of-way user for any loss and expense which will be caused by, or arise out of such removal, change, adaptation, alteration, conformance or relocation of a right-of-way user's facilities; provided, however, that the Town shall never be liable for such reimbursement.

Sec. 13.06.021 Registration certificate required

It is unlawful for any person, its agents, servants or employees to perform construction in the right-of-way without first having made either application and obtained a permit therefor or have in possession a valid registration certificate. A registration certificate may only be used for construction activities not requiring a permit in accordance with this article. These activities include tree trimming, general maintenance, line work and providing a service connection from the property line to a customer provided the activity complies with Section 13.06.010.

Sec. 13.06.022 Hours of operation for nonemergency work

(a) Excavation and boring shall be conducted between 7:00 a.m. and thirty (30) minutes before sundown on Monday through Friday, except on holidays. No excavation or boring shall be performed on holidays.

(b) All other work requiring an inspection shall be done between 7:00 a.m. and thirty (30) minutes before sundown on Monday through Friday, except on holidays. No work shall be performed on holidays. A right-of-way user may work on Saturday subject to the approval of the right-of-way manager and a notification no later than noon on Thursday before the Saturday in which the work is to be performed. The Saturday inspection fee must be paid prior to noon on Thursday prior to the Saturday in which the work is to be performed.

Sec. 13.06.023 Denial of permit

A permit may be denied or suspended for any of the following reasons:

- (1) Failure to provide proof of a surety bond or liability insurance acceptable to the Town or notice of termination of the same.
- (2) Failure to secure a contractor's license or other required license.
- (3) Failure to perform in accordance with the requirements of this article.
- (4) The excavation would be in a street and not otherwise permitted by this article.
- (5) The proposed warning or other traffic control procedures or equipment do not comply with the requirements of the TMUTCD or the requirements of the right-of-way manager.
- (6) The proposed activity would violate any Town ordinance or state or federal law, rule, regulation or statute.
- (7) The permit application contains false or misleading information.
- (8) The activity would cause a public health or safety hazard.
- (9) The right-of-way user is not authorized within the Town.
- (10) The right-of-way user is in violation of this article relative to work in progress.
- (11) The right-of-way user has not compensated the Town, unless the user is not legally obligated to compensate the Town by contract, by agreement or by law, for using the public property; or the right-of-way user has failed to timely make required payments.

Sec. 13.06.024 Appeal

A right-of-way user that: (i) has been denied registration; (ii) has been denied a permit; (iii) has had a permit revoked; or (iv) believes that fees imposed are invalid, may have the denial, revocation, or fee imposition reviewed, upon written request as follows:

(1) If an applicant desires to appeal a decision, the applicant may file a written notice of appeal with the right-of-way manager within five business days of the date the decision was rendered. The notice must state the alternatives available and routes explored, hardship encountered, cost comparison of other alternatives and a statement of any other significant factors. The right-of-way manager shall provide a written decision within five business days. Failure to render a decision within five business days shall constitute a denial.

(2) If a further denial is given, the appellant may thereafter file a written notice of appeal to the Town Administrator within five business days of receipt of the right-of-way manager's written decision. The Town Administrator shall provide a written decision within five business days of receipt of an appeal in accordance with this section. Failure to render a decision within five business days shall constitute a denial.

DIVISION 3. TECHNICAL SPECIFICATIONS

Sec. 13.06.025 Lawful use of right-of-way

(a) The use of the right-of-way in any manner which violates federal, state, or local laws, or Town codes, ordinances and regulations, including, without limitation, those relating to health, safety, noise, environmental protection, waste disposal and water and air quality, is prohibited. All permittees shall provide satisfactory evidence of compliance with the foregoing upon request of the Town.

(b) The permittee shall dispose of all material removed from the right-of-way and any waste created by permittee in compliance with all state, federal and local laws and requirements. Temporary storage of material may be placed in a pile no higher than 30 inches.

(c) If a permittee excavates any contaminated, regulated or hazardous materials in the right-of-way, such permittee shall be responsible for environmental assessment, excavation, testing, transportation and disposal of that material in accordance with applicable law. The permittee shall promptly notify the Town, orally, of the condition within two hours of discovery of any contaminated, regulated or hazardous materials in the right-of-way, and within eight hours provide the aforementioned information to the Town in writing. The permittee must consult with and receive written authorization from the Town before undertaking any of the steps/actions set forth in this subsection.

Sec. 13.06.026 Compliance with safety regulations

The permittee and right-of-way user shall comply with all applicable federal, state and local safety regulations and requirements, including, by example and not limitation, the occupational safety and health standards for the construction industry.

Sec. 13.06.027 Conformance with the thoroughfare plan

A right-of-way user should consult the Town's thoroughfare plan prior to the acquisition of any interest in real property in the Town for the installation or relocation of service lines or other equipment or facilities along or adjacent to any street, right-of-way, thoroughfare, highway, or any proposed street, right-of-way, highway or thoroughfare to attempt to minimize any future conflict regarding the location of such facilities. All right-of-way users are charged at all times with constructive notice of the thoroughfare plan. The Town shall, at a minimum, have no liability for the value of or loss by a right-of-way user of any improvements constructed in the area shown on the thoroughfare plan, except as provided herein. Typical locations of Town facilities are depicted in the Town standard details.

Sec. 13.06.028 Tree trimming and graffiti abatement

Permission is granted to a right-of-way user, subject to the requirements of this code, as it exists or may be amended from time to time, to trim trees upon and overhanging the right-of-way, so as to prevent the branches of such trees from coming in contact with a right-of-way user's facilities. When so directed by the Town, the tree trimming shall be done under the supervision and direction of the Town. The right-of-way user shall make the necessary repairs or restoration, including, but not limited to, cleaning of graffiti, as soon as practicable but not to exceed seven days after the right-of-way user discovers or learns of any misuse, destruction, damage or vandalism to its facilities.

Sec. 13.06.029 Employee communication

The right-of-way user shall ensure that there is at least one employee on the job site, during any type of work activity, who can read, write and speak English fluently.

Sec. 13.06.030 Routing and spatial assignment

The Town reserves the right, in the permit or otherwise, to restrict or determine the route (pathway) and/or spatial location, whether horizontal, vertical or depth, of any facility and/or structure or improvement in the right-of-way. The Town reserves the right to reserve space for future utilities.

Sec. 13.06.031 Commencement and completion

After obtaining the permit and prior to commencing the work, the permittee shall notify the right-of-way manager, and shall commence and complete all work within the time specified in the permit, unless an extension of time is granted by the right-of-way manager. No work shall commence until erosion control measures (e.g. silt fence) and advance warning signs, markers, cones and barricades are in place.

Sec. 13.06.032 Notification of affected property owners

Except in the case of an emergency, whenever excavation is required in the right-of-way adjacent to an occupied property, the right-of-way user shall notify the property owner of the activity through use of a door hanger, which shall include the following information:

- (1) Permit number;
- (2) Identify of the contractor and the right-of-way user, including a contact name and phone number by which more information regarding the project could be obtained and a 24-hour a day emergency phone number; and
- (3) The anticipated duration of the construction work.

Sec. 13.06.033 Safe conduct of work

Every permittee and right-of-way user shall prosecute its work diligently and in a good, safe, and workmanlike manner, and shall safeguard and protect the public, using the street or right-of-way where the work is being performed, from accidents or damage by placing barriers, lights and other sufficient safeguards around all cuts, openings and excavation, in accordance with TMUTCD. All material, implements and tools stored upon the premises and used in connection with the excavation shall be stored in a safe and nonhazardous manner.

Sec. 13.06.034 Revocation or suspension of permit

The Town reserves its right, as provided herein, to revoke or suspend any permit, without refund of the permit fee, in the event of a breach by the permittee of the terms and/or conditions of the permit, this article and/or any other Town ordinance. A breach of the terms of the permit shall include, but not be limited to any of the following:

- (1) The violation of any provision of the permit.
- (2) An evasion or attempt to evade any provision of the permit, or the perpetration or attempt to perpetrate any fraud or deceit upon the Town or its citizens.
- (3) Any material misrepresentation of any fact in the permit application.

- (4) The failure to meet insurance, surety bond or indemnification requirements.
- (5) The failure to complete the work as specified in the permit.
- (6) The failure to correct a condition indicated on an order issued pursuant to this article.
- (7) Repeated traffic control violation(s).
- (8) Failure to protect facilities or repair facilities damaged in the right-of-way.
- (9) Violation of any part of this article.
- (10) Recognition by the right-of-way manager that a permit was issued in error.
- (11) Failing to comply with an order of the right-of-way manager on the permit and any other valid permit held by the right-of-way user.
- (12) Any safety violation or other action that threatens the health, welfare and/or safety of the public as solely determined by the right-of-way manager.

If the right-of-way manager determines that the permittee has committed a breach of any law or condition of the right-of-way permit, the right-of-way manager shall make a written demand upon the permittee to remedy such violation. Continued violation may be cause for revocation of the permit or legal action, or both. The right-of-way manager may, in his discretion, revoke the permit, provide specifications to cure the breach, or both. Within two business days of receiving notification of the breach, permittee shall contact the right-of-way manager with a plan, acceptable to the right-of-way manager, for correction of the breach. Permittee's failure to do so or permittee's failure to timely implement the approved plan shall be cause for revocation of the permit.

Sec. 13.06.035 Work not in accordance with permit declared unlawful

(a) It shall be unlawful for any person to make, cause or allow to be made, any excavation, or to install, cause or allow to be installed any tank, pipe, conduit, duct, tunnel, utility pole or other utility or appliance in or under the surface of any street, alley, sidewalk, right-of-way or other public place, at any location, other than that described in the application for the permit and as shown on the plans filed with the right-of-way manager, and in accordance with the requirements of the permit. If the circumstances appearing after the excavation is commenced make it impossible to comply with the permit, the right-of-way manager may, in his sole discretion, grant a waiver to take the circumstances into account.

(b) Failure to comply with requirements set forth in this article or on any permit shall be cause for revocation of the subject permit and of any other permits held by the same permittee until the violations have been corrected or the right-of-way manager has approved alternative requirements.

Sec. 13.06.036 Work done without a permit

No cut, excavation, grading or disturbing of the right-of-way or wires on poles, in any way, shall be made, other than excavations necessary for emergency work, without first securing a permit. No person or right-of-way user shall, at any time, open or encumber more of the right-of-way than shall be reasonably necessary to complete a project in the most expeditious manner.

Sec. 13.06.037 Cessation of work

At any time, the right-of-way manager may order the immediate cessation of any work that poses a threat to the health, safety or well-being of the public. The right-of-way manager may revoke the permit of any permittee in any instance where there is a threat to the health, safety or wellbeing of the public.

Sec. 13.06.038 Violations of standards; notice

The right-of-way manager may issue a written notice to the permittee indicating work that does not conform to the terms of the permit, applicable standards, conditions, codes or other applicable regulation. Within five days after issuance of written notice, the permittee shall present proof to the right-of-way manager that the violation has been corrected. If such proof has not been presented within the required time, the right-of-way manager may revoke the permit.

Sec. 13.06.039 Location and relocation of facilities

Subject to applicable federal, state, and local laws, the right-of-way user shall, upon the request of the Town, which shall be in writing, locate and/or relocate its facilities situated within any right-of-way, at no expense to the Town, where reasonable and necessary to accommodate any Town project. The written request provided by the Town shall state the date by which the relocation by the right-of-way user shall be completed and a reasonable amount of time shall be provided by the Town. When relocation is necessitated by federal government requirements, which includes reimbursements of costs, the Town will reimburse applicant for its proportionate share from funds provided to the Town in such reimbursements.

Sec. 13.06.040 Relocation facilities for the Town

In the event the Town finds it necessary to move a right-of-way user's facilities to protect the right-of-way, any Town utilities and/or street, the Town shall notify the local representative of the right-of-way user. Right-of-way user shall promptly move or facilitate the relocation of the subject facilities at right-of-way user's sole expense.

Sec. 13.06.041 Abandoned facilities

(a) A right-of-way user owning abandoned facilities in the right-of-way shall:

(1) Remove its facilities and repair, at its sole expense, any damage caused by the removal. The right-of-way manager may allow some or all facilities to remain if the right-of-way manager determines same is in the best interest of the public to do so; or

(2) Provide information satisfactory to the Town that the right-of-way user's obligations for its facilities in the right-of-way have been lawfully assumed by another authorized right-of-way user.

(b) The facilities of the right-of-way user who fails to comply with this section, and those facilities which remain unused for two years, shall be deemed to be abandoned unless, within the aforesaid two-year period, the Town receives written confirmation and reasonable evidence, as solely determined by Town, that the right-of-way user intends to use the facilities. The Town may exercise any remedies and/or rights it has at law or in equity, including, but not limited to, taking possession of the abandoned facilities or requiring the removal of the facilities by the right-of-way user at the right-of-way user's sole expense.

Sec. 13.06.042 Underground service requirements

Placement of new utility support structures (poles) shall be prohibited for electrical distribution lines with 60,000 volts and less and all communication utilities, unless otherwise allowed by other law or an existing franchise agreement between the right-of-way user and the Town or a PUCT tariff. This does not prohibit replacing existing poles for maintenance purposes.

Sec. 13.06.043 Location of poles and conduits

All poles in the right-of-way shall be of sound material and straight, and shall not interfere with the flow of water in any gutter or drain, and shall be placed so as not to interfere with vehicular and pedestrian travel. The location and route of all conduits, fiber, cables, utilities and facilities placed and constructed by a right-of-way user in the construction and maintenance of its system in the Town shall be subject to the reasonable and proper control, direction and approval of the Town. Placement of poles and anchor guys along curvilinear streets shall comply with Town ordinances and regulations.

Sec. 13.06.044 Size and location of aboveground facilities

The maximum dimensions for ground mounted utility structures above the ground in the right-of-way adjacent to streets are seven feet long (parallel to the road), two feet wide (perpendicular to the road) and six feet in height. For structures three feet or less in height, the width may be 44 inches. This does not include poles. The height of utility structures shall be measured from the lowest grade at any point 18 inches or less from the side of the structure that faces the street to the highest point of the structure. Utility structures exceeding those dimensions shall not be located in the right-of-way adjacent to streets, unless otherwise approved in writing by the right-of-way manager. All aboveground facilities shall be located outside of the corner visibility triangle at all intersections, future intersections and all driveways. No aboveground facilities may be placed in a parkway that is across from a median opening.

Sec. 13.06.045 Height of overhead line

The user shall ensure all overhead lines are constructed and maintained so that the minimum clearances are in compliance with the National Electrical Code as it exists or may be amended.

Sec. 13.06.046 Attachments to poles

- (a) Nothing shall obligate or restrict a right-of-way user from exercising its rights to enter into pole attachment, pole usage, joint ownership or other wire space or facilities agreements with light and/or power companies or with other wire-using companies authorized to operate within the Town.
- (b) A right-of-way user shall utilize existing pole space, conduit, and other facilities whenever reasonably and/or economically possible.
- (c) Antennas must be mounted to the top of the pole, or flush to the pole near the top, in a screen that is coated or painted an approved color to match the pole to camouflage the installation.
- (d) Equipment, other than antennas, must be in an underground vault. Vaults must be flush to the ground.
- (e) If the existing pole already has more than two existing risers/drops, the pole must be replaced with a metal pole and all wires and cables must be run in conduit inside the pole. The existing drops will also be relocated inside the new pole and underground entry into the pole through the foundation is required. When installation will result in two or fewer risers/drops on the pole, the wires and cable may be installed as a riser/drop in conduit painted an approved color.

Sec. 13.06.047 Temporary rearrangement of aerial wires

The right-of-way user shall rearrange its transmission media temporarily as necessary to permit the moving of houses or other bulky structures. The requesting parties shall, pay the reasonable and necessary expense of such temporary rearrangements. The right-of-way user shall in a reasonable time frame and reasonable cost, remove its transmission media in connection with the demolition of unsafe structures, including emergency or ordered demolitions at no cost to the Town. The right-of-way user may invoice the requesting parties for the cost of this work, where applicable.

Sec. 13.06.048 Street closures

(a) All lane closures on any thoroughfare shall comply with TMUTCD, and shall include a lane closure exhibit to be submitted with the permit to the right-of-way manager. The right-of-way manager may require a traffic control plan. Arrow boards and message boards may be required for lane closures on thoroughfares.

(b) Except in an emergency, no thoroughfare shall be closed on weekdays during the hours of 6:30 a.m. to 9:00 a.m. and 3:30 p.m. to 7:00 p.m. or outside normal working hours of the Town. Every day of the week, all roadways shall be open to traffic by sunset on the same day as the construction.

(c) All lane closures require 24-hour notification of the police and fire departments prior to closing

Sec. 13.06.049 Site maintenance during construction and prior to full restoration

(a) Erosion control and stormwater management. The right-of-way user shall be responsible for stormwater management, erosion control and excavation safety measures that comply with Town, state and federal guidelines. Requirements shall include, but not limited to, construction fencing around any excavation that will be left overnight, silt fencing in erosion areas until reasonable vegetation is established, barricade fencing around open holes, and high erosion areas will require wire backed silt fencing. Upon request of right-of-way manager, the right-of-way user may be required to furnish documentation submitted or received from the federal or state government.

(b) Dust control. The right-of-way user shall ensure that the work is conducted and site maintained to minimize blowing dust. At any time dust leaves the job site so that it is a nuisance, the work will stop until measures can be taken to eliminate the dust.

(c) Traffic control safety. In the event of noncompliance with the TMUTCD, the right-of-way user shall be notified of the violation. In the event of continued noncompliance, the right-of-way manager may revoke the permit, in addition to any other remedies available to the Town. At any time the right-of-way manager determines the work threatens public safety, he may take immediate action as necessary including but not limited to, stopping all work, or have a third party make the repairs at the expense of the applicant.

(d) Responsibility for signs, barricades and warning devices. The right-of-way user working in any right-of-way is responsible for the safe movement of traffic, both pedestrian and vehicular, through the construction area. The right-of-way user shall meet all requirements for barricading and traffic control as specified in the TMUTCD.

(1) Only those individuals who are qualified by means of adequate training in safe traffic control practices and have a basic understanding of the principles established by applicable standards and regulations, including without limitation, those in TMUTCD, may place and maintain the traffic control devices in a construction area.

(2) The right-of-way user must either: (i) subcontract the barricading to a firm specializing in traffic control; or (ii) submit the qualifications and name of employees to the right-of-way user manager for approval prior to the work commencing. The right-of-way user must also submit a traffic control plan for review when required by this article. All signs and barricades must conform to the requirements of the TMUTCD.

(3) All barricades, plates, and other traffic control equipment must conform to TMUTCD specifications and must be inspected and maintained by the traffic control representative.

(4) All barricades, plates and other traffic control equipment must display accurate and sufficient information including without limitation, the name of the right-of-way user.

(5) Noncompliance with the TMUTCD shall be cited in writing. In the event of noncompliance after citation, the right-of-way manager may place the necessary devices as required, and the right-of-way user shall reimburse the Town for all such expenses as well as \$500.00 for noncompliance. Failure to comply with this provision may result in denial of application for future permits.

(6) All traffic control devices must be removed immediately upon completion of work.

(e) Duty to barricade. At all times during construction activity, the contractor and/or right-of-way user, as applicable, shall place and maintain all necessary and proper barriers and other safeguards, including without limitation, watchmen certified in accordance with the safety training described in this article, if necessary, upon and around the work and for the prevention of accidents, and after daylight hours, shall place, maintain and keep suitable sufficient lights, in accordance with the TMUTCD.

Sec. 13.06.501 Inspection

The permittee shall make the work site accessible to the Town, and others as authorized by law, for inspection at all reasonable times during performance of the work.

Sec. 13.06.051 Materials testing

The Town will require testing of materials used in construction in or near the right-of-way to determine conformance with Town construction specifications, including, but not limited to, compaction tests on backfill materials, subgrade, aggregate base course, Portland concrete (rigid pavement), asphaltic concrete (flexible pavement) and other construction materials as deemed necessary by the Town. The right-of-way user shall, at his expense, hire a testing laboratory with current accreditation by the American Association for Laboratory Accreditation, American Association of State Highway and Transportation Officials (AASHTO) or another nationally recognized accreditation agency that verifies compliance with ASTM E 329 and that demonstrates the laboratory's capabilities to perform applicable ASTM or AASHTO test procedures, as may be required.

Sec. 13.06.052 Duties of persons making excavations or creating obstructions

Any person who shall cause to be made any excavation or obstruction in any street or right-of-way shall not allow the same to remain there beyond a time reasonably sufficient for the completion of the work and/or removal of the obstruction, and shall repair the subject portion of such street and/or right-of-way so as to restore the same to its condition previous to the making of such excavation or obstruction. It shall be the duty of such excavators to protect the area while such condition exists and promptly to repair the same so as to leave the street or right-of-way in as good condition as before the excavation.

Sec. 13.06.053 Emergency excavations

Nothing in this article shall be construed to prevent any person maintaining any pipe, conduit or duct in or under any street, or right-of-way by virtue of any law, article or permit, from making such excavation as may be necessary for compliance with law or for the preservation of life or property when the necessity arises, provided that the person making the excavation shall notify the right-of-way manager within 24 hours. Except as specifically provided otherwise in this article for excavations authorized by this section, permittee shall be subject to all fees and requirements of this article.

Sec. 13.06.054 Excavation in streets

Except in case of an emergency there shall be no excavation in any street without the prior written approval of the right-of-way manager. Any request for a permit to excavate a street shall include a description of the proposed work and proposed restoration of the area, as well as a statement of clear and convincing evidence is provided to the right-of-way manager as to why alternate procedures cannot or should not be used in lieu of excavating a street. All pavement cuts and repairs shall be

performed by a contractor with experience in street repair work. Any damage to pavement outside the removal area shall also be repaired subject to approval of the right-of-way manager.

- (1) Excavation in Portland cement concrete (PCC) pavement surface. If the existing pavement is PCC, the concrete shall be cut first with a saw to a depth of the full the thickness of the concrete or 6", whichever is greater, and the full width of the trench, which shall also cut any reinforcing steel. A second cut shall be 12 inches parallel to the first cut to full thickness of the concrete and excavated to undisturbed soil. Further criteria is set forth in the Town's standard details.
- (2) Excavation in hot mix asphalt concrete (HMAC) pavement surface. If the existing pavement is HMAC, the HMAC shall be cut first with a saw to a depth of the full thickness of the pavement or 6", whichever is greater, and the full width of the trench, which shall also cut any reinforcing steel. A second cut shall be 12 inches parallel to the first cut to full thickness of the pavement and excavated to undisturbed soil. Further criteria is set forth in the Town's standard details.
- (3) Jacking and boring. A permittee or right-of-way user shall perform all work in conformance with methods approved by the Town and in such a manner as to not interfere or disturb existing or planned infrastructure.
- (4) Responsibility of excavated area maintenance. A permittee or right-of-way user shall warrant and be responsible for its repairs in the right-of-way for two years from the completion date of any repair.

Sec. 13.06.055 Backfill of excavated area

- (a) Open trenches may be temporarily backfilled for the convenience of the permittee or the public safety. Traffic bearing plates can be used temporarily in conformance with Town requirements. At least one hour prior to beginning permanent backfill operations, the permittee shall notify the right-of-way manager of the time the backfill will begin.
- (b) All excess water and mud shall be removed from the trench prior to backfilling. Any backfill placed during a rainy period or at other times, where excess water cannot be prevented from entering the trench, will be considered temporary and shall be removed as soon as weather permits. All disturbed base material or any base that has been undermined shall be removed and discarded. Compaction of all backfill shall be 95 percent of maximum density with a moisture content of minus two percent to plus four percent of optimum moisture content as determined by ASTM D698 under or near paved surfaces, future paved surfaces or otherwise as determined by right-of-way manager. Outside of pavement surfaces, compaction of all backfill shall be 95 percent of maximum density with a moisture content of minus two percent to plus four percent of optimum moisture content as

determined by ASTM D698, and be smoothed, raked, and topsoil and grass or other landscaping installed to match the surrounding conditions.

Sec. 13.06.056 Right-of-way restoration requirements

(a) The work to be done pursuant to the permit and any repair and/or subsequent restoration of the right-of-way must be completed within the dates specified in the permit. In the event of circumstances beyond the control of the permittee or when work is prohibited by unseasonable or unreasonable conditions, the right-of-way manager may, in his sole discretion, extend the dates on receipt of a substantiated supplementary application for a permit extension.

(b) All earth, materials, sidewalk, pavement, utilities, conduits, crossing, irrigation, landscaping, monuments, manhole covers, valve covers, meter box lids or improvements of any kind, which are owned or possessed by the Town, and damaged, disturbed, or removed by a right-of-way user shall be fully repaired promptly by the right-of-way user, at its sole expense, to the reasonable satisfaction of the right-of-way manager with material approved by the Town.

(c) After any excavation, the right-of-way user shall, at its expense, restore the right-of-way, trench envelope, pavement structure and the surrounding area, to the same or better condition than it was prior to the excavation. The restoration shall be made in accordance with specifications set forth herein, and the repair shall be covered by a maintenance bond for two years from the completion date of any repair.

(d) In the event the right-of-way user fails to restore the right-of-way in the manner and to the condition required herein, or fails to satisfactorily and/or timely complete all restoration, the Town may, at its option, serve written notice upon the right-of-way user that, unless within five days after serving of such notice a satisfactory arrangement can be made for the proper restoration of the right-of-way by the right-of-way user, the Town may take over the work and prosecute same to completion, by contract or otherwise, at the sole expense of the right-of-way user, and right-of-way user, and its surety, shall be liable to the Town for any and all cost incurred by the Town by reason of such prosecution an completion including, without limitation, the applicable public inconvenience penalty. Nothing contained herein shall limit any other remedies available to the Town.

(e) If any excavation cannot be backfilled immediately, the right-of-way user shall securely and adequately cover the excavation and maintain proper barricades, safety fencing and/or lights as required, from the time of the opening of the excavation until the excavation is surfaced and opened for travel.

(f) In all right-of-way restoration, the right-of-way user guarantees its work and shall maintain it two years from the date of completion of any restoration. During the period following completion, the right-of-way user shall, in the event of any failure of the restoration, and upon notification from

the right-of-way manager, reimburse the Town for pavement restoration costs as provided for in this article. Additionally, the right-of-way user, in the event of such failure, shall within 48 hours of notice from the Town, repair the subject trench envelope.

(g) The two-year guarantee period shall be applicable to, among others, failure of the pavement surface as well as failure of the trench envelope. Notwithstanding remediation of the pavement structure by the Town, the right-of-way user retains repair responsibility at all times during the guarantee period for the trench envelope. In locations where two or more right-of-way users have made repairs in the exact same location, the last right-of-way user to excavate shall be responsible for the two-year guarantee in that location, unless the right-of-way manager determines, in his sole discretion, that a failure was most likely a result of work performed by another right-of-way user. That right-of-way user shall be responsible for the two-year maintenance period.

(h) All street excavations shall be perpendicular excavations, as possible, unless otherwise approved by the right-of-way manager. Excavations in streets, which are not perpendicular excavations require block-to-block and curb-to-curb pavement reconstruction, or other method of repair approved by the right-of-way manager. All repairs shall be equal or better than that which existed prior to the commencement of any work.

(i) No trench shall be opened for the purpose of laying pipes, conduits or ducts for a distance greater than can be backfilled on the same workday before sunset. Any variance from this requirement must be granted in writing from the right-of-way manager prior to work beginning.

Sec. 13.06.057 Restoration of pavement

Unless otherwise specified in the permit, restoration of the pavement of any street, alley, right-of-way or other public place shall be performed by the permittee.

(1) No trench shall be opened in any street for the purpose of laying pipes, conduits or ducts more than 200 feet in advance of the pipe, conduit or ducts being placed in the trench, other than with the prior written consent of the right-of-way manager.

(2) All excavations shall comply with the Town construction standards, as amended, and requirements of this article. Unless otherwise required by Town standards, as amended, or if unusual conditions are encountered, the right-of-way manager may require new standards for compaction, backfill and pavement restoration.

(3) Any excavated pavement, debris and/or other rubble shall be removed, together with any surplus material, within one working day from the time such material is placed upon the street. After backfilling is completed, and prior to repaving the cut, the right-of-

way user shall remove all loose paving material and trim the edges of the excavation at the street surface to the satisfaction of the right-of-way manager.

(4) Whenever any caving occurs in the sidewalks of any excavation, the pavements above such caving shall be cut away, trench backfilled, compacted and sidewalk pavement restored. In no case shall any side or lateral tamping fill any void under a pavement.

Sec. 13.06.058 Permanent pavement repairs

The right-of-way user will maintain the excavated area until permanent pavement restoration of the excavated area is complete. The right-of-way user shall make the final repairs within seven days on thoroughfares that are classified as major and within 30 days on residential, local and alley streets after the right-of-way manager makes final inspection. Backfill failures shall remain the responsibility of the right-of-way user.

Sec. 13.06.059 Substandard repair of pavement of right-of-way

In case the pavement or the surface of the street, alley, or right-of-way in, over or near any excavation should become depressed, cracked or broken at any time or fails in any way at any time after the excavation has been made and during the two-year warranty, the right-of-way user shall comply with any applicable obligations of this article, including, without limitation, reimbursement to the Town of the cost to restore the street and/or right-of-way.

Sec. 13.06.060 Failure to complete work within specified time

In the event any work governed by this article is not completed by the right-of-way user within the time required or in accordance with the specifications required herein or by the right-of-way manager, the right-of-way manager may cause such work to be performed as is necessary to secure the work area to a safe and passable condition. The right-of-way user shall reimburse the Town for the costs of securing the site.

Sec. 13.06.061 Removal and reconstruction where work is defective

All construction work in the streets, right-of-ways, sidewalks and public places of the Town is declared to be subject to the exclusive control of the Town, and whenever, in the sole opinion of the right-of-way manager, any such work shall not have been duly completed within a reasonable time or shall have been executed in a defective manner, whether because of bad workmanship or materials or because not true to the lines or grades or specification therefor given to him by the right-of-way manager, then upon written demand or notice from the right-of-way manager, such right-of-way user or contractor shall promptly remedy, complete and/or remove and reconstruct such incomplete or defective work all as the right-of-way manager may require, and these provisions shall also apply to

all repair and maintenance work. If the contractor or right-of-way user shall fail or refuse to do so within a reasonable time to be specified by the right-of-way manager, then, if required by the right-of-way manager, such work shall be completed or corrected or removed and wholly or partially reconstructed by the Town, in such a manner as in the opinion of the right-of-way manager may be necessary to make such work as good as originally required, and such work may be done by contract or otherwise, under the direction of the right-of-way manager, and the contractor or right-of-way user shall reimburse Town for any and all cost incurred by the Town performing the work described in this subsection.

Sec. 13.06.062 Cleanup of right-of-way

In every case, and at all times, the work of removing from the right-of-way all obstructions, surplus materials, debris and waste matter of every description caused by and/or accumulated from the excavation shall be the sole responsibility of the right-of-way user. The right-of-way user shall maintain the area on and around the excavation and related work in a clean, safe and orderly fashion at all times during conduct of the excavation and shall clean the same area upon completion of work. Streets shall be cleaned by use of a vacuum street sweeper. The right-of-way user shall clean the surrounding area, as outlined above, within one day upon completion and approval of all trench work and pavement restoration unless the right-of-way manager, sufficient reason therefore having been given to his satisfaction, grants a written extension of time.

Sec. 13.06.063 Reporting Completion of Work

When the work under permit hereunder is completed, the permittee shall notify the Town in accordance with the requirements placed on the permit. The Town will schedule a final walk-through with the contractor to develop a final punch list of items to be remedied.

Sec. 13.06.0064 Effect of article on persons engaged in construction

Any permit issued prior to the adoption of this article will remain subject to the terms and conditions of Town ordinances and requirements in effect at the time of issuance of the permit and is not affected by this article, except that, upon expiration or conclusion of the permit, a new or renewal permit must be obtained in accordance with this article.

DIVISION 4. INDEMNIFICATION, INSURANCE, BONDING AND LIABILITY

Sec. 13.06.065 Liability of right-of-way user

To the extent allowed by law, the right-of-way user shall be liable to the Town for any damage or loss occasioned by any act and/or omission occurring in connection with its excavation, and subject to state law, the right-of-way user shall fully indemnify, hold harmless and defend the Town, its councilmembers, officers, employees, agents, representatives and volunteers from and against any

and all suits, actions, judgments, losses, costs, demands, claims, expenses (including attorney's fees), damages, and liabilities of every kind to which the Town, its councilmembers, officers, employees, agents, representatives and volunteers may be subjected for injury of any type, death or property damage arising from or connected with any such act and/or omission. The Town shall promptly notify a permittee, or right-of-way user, at the address set forth in the permit, or last known address, of any claim, suit or demand served upon the Town and alleging negligent or wrongful conduct by the permittee or right-of-way user in connection with an excavation.

Sec. 13.06.066 Insurance

- (a) It shall be unlawful for any person, unless exempt under this Chapter, to construct, reconstruct or repair any sidewalk, driveway, curb or curb and gutter in any street, alley, easement or right-of-way of the Town without having first executed and delivered to the Town a current policy of liability insurance in an amount determined by the Town, and such insurance must be conditioned as follows: that the principal shall fully indemnify and hold the Town harmless from any and all cost, expense or damage, whether real or asserted, on account of any injury done to any person or property in the prosecution of the work, or that may arise out of or be occasioned by the performance of such work. The Town shall have no duty to perform under this article until such certificate has been delivered to the department.
- (b) The Town shall be entitled, upon request and without expense before issuing a permit, to receive copies of the policies and all endorsements thereto as they apply to the limits required by the Town, and may make a reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy revisions are established by law or regulation binding upon any party to the policy or the underwriter of such policy). Upon such request by the Town, the right-of-way user shall exercise reasonable effort to accomplish such changes in policy coverage, and shall pay the cost thereof.
- (c) Right-of-way user shall notify the Town in the event of any notice of cancellation, nonrenewal or material change in coverage and shall give such notices not less than 30 days prior to the change, or ten days notice for cancellation due to nonpayment of premiums, which notice must be accompanied by a replacement certificate of insurance.
- (d) Nothing herein contained shall be construed as limiting in any way the extent to which the right-of-way user may be held responsible for payments of damages to persons (including death) or property resulting from the right-of-way user's, or its subcontractors', performance of the work performed in the public right-of-way.
- (e) The Town owned utilities shall not be required to provide the insurance specified herein.

- (f) With respect to the right-of-way user's obligation to comply with the requirements for commercial general (public) liability insurance coverage, the Town right-of-way manager may, in his discretion, allow the right-of-way user to self-insure upon annual production of evidence that is satisfactory to show the user has sufficient assets and history of performance to justify the user to self-insure.

Sec. 13.06.067 Performance/assurance bond

Before a permit shall be issued, the right-of-way manager may, in his discretion, may require the applicant and/or the person or entity for which the applicant is performing, to execute and deliver to the Town, to be kept on file with the Town, a good and sufficient bond of performance or assurance, in the sum to be determined by the Town and conditioned that the person making the application shall promptly adjust, pay and settle all legitimate claims for damages that may result by reason of carelessness or negligence in the manner of performing such work or by reason of any defects therein caused or arising from careless, negligent or imperfect construction thereof, and to hold the Town, its councilmembers, officers, employees, volunteers, agents, and representatives, free and harmless from liability on all such claims for damages to the performance or assurance bond which shall cover the cost of repairs in or upon the street, sidewalk or other public place where the work is to be done that may become necessary by reason of such cut or excavation having been made. The bond shall be maintained until the work is accepted by the Town.

Sec. 13.06.068 Liability of contractor and sureties for maintenance and repair work

Any defects of workmanship or material relating to work done by an excavator during the initial project or becoming known, or which should have been known, during the guarantee period (the two years) shall be known as maintenance or repair work, and both the excavator and the sureties and/or the contractor's bond shall be fully liable for any default of such contractor under this section. In the event of a failure in the restoration of an excavation, the right-of-way user shall, at its sole expense, have one opportunity to repair, in a timely manner, the section of the restoration that has failed, which repair shall be in accordance with the standards set forth in this article. In the event of any subsequent failure of that section of the restoration, the Town retains the right and option to terminate the right-of-way user's guaranty, upon written notice to the right-of-way user. In such event, the right-of-way user shall reimburse the Town for its direct costs associated with the repair of the failure of the restoration work.

Sec. 13.06.069 When additional security required

In the event the right-of-way manager reasonably believes the contractor's or right-of-way user's solvency is threatened, the right-of-way manager may, at any time, make written demand on a contractor and/or right-of-way user for bonds, and the contractor and/or right-of-way user shall immediately furnish such additional bond or bonds to the Town.

Sec. 13.06.070 Decision of right-of-way manager binding on contractor, right-of-way user and sureties

If any question arises as to when any work was actually begun or other specific dates, the decision of the right-of-way manager shall be conclusive on the contractor, right-of-way user, and the sureties on all such bonds.

DIVISION 5. VARIANCES AND EXEMPTIONS

Sec. 13.06.071 Variance/exemptions

A permittee or right-of-way user may request a variance from any of the requirements of this article by filing a written request with the right-of-way manager stating the requirement and the basis for the variance. The right-of-way manager may reject incomplete variance requests. The applicant shall bear its own expenses of the application process.

- (1) Any request for a variance from any right-of-way restoration requirement shall be made in writing, in advance of any contemplated work and shall be accompanied by digitally formatted detailed plans of the substituted reconstruction and/or repair of the excavated area, if applicable.
- (2) Any request for an exemption and/or variance from any penalty and/or fee, other than as provided in this article, shall be made in writing, and shall be accompanied by a written detailed request stating the reasons therefore.
- (3) Any request for an exemption and/or variance from any permit, or any other requirement of this article shall be made in writing, stating in detail all reasons for the requested exemption and/or variance.
- (4) The department shall grant or deny an application for a variance and/or exemption within ten days of receipt of the application for variance and/or exemption.
- (5) Denial of the variance may be appealed in accordance with Section 13.09.024.

DIVISION 6. CERTIFIED TELECOMMUNICATION PROVIDERS

Sec. 13.06.072 Certificated telecommunications providers authority required/nonexclusive use

A CTP must provide evidence that the CTP has acquired authorization from the PUCT pursuant to state law, prior to obtaining a permit to use public right-of-way. The CTP's right to use and occupy the public right-of-way shall not be exclusive, and the Town shall have the right to exercise its police powers and manage its public right-of-way, based on the Act and all other state or federal laws.

Sec. 13.06.073 Transfer and notice

A CTP shall notify the right-of-way manager of any sale, transfer, merger or assignment of the ownership or control of a CTP's business within 30 days of such sale, transfer, merger or assignment. A CTP shall also maintain and provide current point-of-contact information with the right-of-way manager at all times during which the CTP uses the right-of-way.

Sec. 13.06.074 Exemption from fees

CTPs are exempted from the following fees provided for in this article:

- (1) Permit application fee, including expedited application fee and permit expiration fee;
- (2) Additional permit fee;
- (3) Saturday inspection fee;
- (4) Registration fee.

Sec. 13.06.075 Waiver bonds

Unless determined otherwise by the right-of-way manager a CTP will be exempt from the bonding requirements of this chapter, however, in the event that the right-of-way manager determines, based upon reasonable grounds, that a bond is necessary to protect the public assets, and/or the health and safety of the public, then the right-of-way manager may require that a CTP post a reasonable bond not to exceed \$100,000.00. Factors to be considered in determining reasonable grounds may include, but are not limited to, a conviction for violation of this article, a general pattern of substandard adherence to the provisions of this article or the failure to comply with this article. If three years pass from the date that the right-of-way manager requires a bond of a CTP and it has not been necessary for the Town to seek performance under the bond, then a bond will no longer be required pursuant to this section.

Sec. 13.06.076 CTP indemnity

A CTP shall indemnify the Town as specified by V.T.C.A., Local Government Code sec. 283.057, as may be amended. A CTP shall be exempt from all indemnity requirements of this article that are inconsistent with V.T.C.A., Local Government Code sec. 283.057, as amended.

DIVISION 7. NETWORK PROVIDERS

Sec. 13.06.077 Network providers authority required/nonexclusive use

A network provider must provide evidence that the network provider has acquired all required authorization pursuant to state law, prior to obtaining a permit to use public right-of-way. The network provider's right to use and occupy the public right-of-way shall not be exclusive, and the Town shall have the right to exercise its police powers and manage its public right-of-way, based on the Texas Local Gov't Code Chapter 284 and all other state or federal laws.

Sec. 13.06.078 Transfer and notice

A network provider shall notify the right-of-way manager of any sale, transfer, merger or assignment of the ownership or control of a network provider's business within 30 days of such sale, transfer, merger or assignment. A network provider shall also maintain and provide current point-of-contact information with the right-of-way manager at all times during which the network uses the right-of-way.

Sec. 13.06.079 Network Provider indemnity

A network provider shall indemnify the Town as specified by Texas Local Government Code, as may be amended.

Sec. 13.06.080 Adoption of Design Manual

The Town hereby adopts the Wireless Services Design Manual pursuant to V.T.C.A. Local Government Code Chapter 284. A copy of the Manual is available in the Town Secretary's office and online at <http://www.hickorycreek-tx.gov/>.

Sec. 13.06.081 Compliance with Design Manual

A network provider shall comply with the Town's Wireless Services Design Manual as amended by the right-of-way manager.

DIVISION 8. MISCELLANEOUS

Sec. 13.06.0082 Penalty provision

Any person, firm, corporation or business entity violating this Chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine not to exceed the sum of \$500.00, unless the violation relates to fire safety or public health and sanitation, including dumping and refuse, in which the fine shall not exceed the sum of \$2,000.00. Each continuing day's violation under this article shall constitute a separate offense. The penal provisions imposed under this Chapter shall not preclude the Town from filing suit to enjoin the violation. The Town retains all legal rights and remedies available to it pursuant to local, state and federal law."

3.02 That the Hickory Creek Code of Ordinances Appendix A: Fee Schedule is hereby amended by adding a new Article A6.000 entitled Right of Way Fees, which shall read as follows:

"Article A6.000 RIGHT OF WAY FEES

Sec. A6.001 Right of Way Management Fees"

STREETS, SIDEWALKS AND OTHER PUBLIC PLACES	
Right-of-way Management	
Permit application fee	100.00
Expedited application fee	250.00
Saturday inspection fee; each Saturday	200.00
Permit expiration fee; each permit for incomplete work on expiration date if not extended	30.00
Electronic maps submittal fee; per hour of labor necessitated by hard copy submittal in lieu of electronic format (minimum fee of 2 hours)	80.00
Registration per right-of-way user per year	50.00
Inspection fee	\$1.00/LF or \$150/day of anticipated construction time, whichever is greater
Small cell application fee (This penalty shall not exceed and is capped by statutory limits)	\$500.00 (1-5 network nodes); \$250.00 (each additional network node); \$1,000.00 per pole
Small cell user fees (this penalty shall not exceed and is capped by statutory limits)	\$250.00 annually for each network node; \$20.00 per year for town pole

Public inconvenience penalty					
Type of Facility	Unit of Cost	Penalty (Per day)			
		31-75 days	79-90 days	90-100 days	>>100 days
Sidewalk	Per sq. foot	\$0.0026	\$0.0052	\$0.0078	\$0.0104
Driveway	Per each	\$39.00	\$78.00	\$117.00	\$156.00
Public inconvenience penalties are assessed and calculated from the date of expiration of the permit until date of completion of work or repair or of final backfill if turned over to the department for repair. This penalty shall not exceed and is capped by statutory limits.					

3.03 All other articles, chapters, divisions, sections, paragraphs, sentences, phrases and words are not amended but are hereby ratified and affirmed.

SECTION 4
CUMULATIVE REPEALER CLAUSE

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

SECTION 5
SAVINGS CLAUSE

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

SECTION 6
SEVERABILITY

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of

full force and effect and the Town shall promptly promulgate new revised provisions in compliance with the authority's decisions or enactment.

SECTION 7
PUBLICATION CLAUSE

The Town Secretary of the Town of Hickory Creek is hereby directed to publish in the Official Newspaper of the Town of Hickory Creek the Caption, and Effective Date Clause of this Ordinance as required by Section 52.013 of the Local Government Code.

SECTION 8
ENGROSSMENT AND ENROLLMENT

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

SECTION 9
EFFECTIVE DATE

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

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek, Texas this 15th day of August, 2017.

Lynn C. Clark, Mayor
Town of Hickory Creek, Texas

ATTEST:

Kristi Rogers, Town Secretary
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

Town Attorney
Town of Hickory Creek, Texas



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.7

Consider and act on ordinance of the Town of Hickory Creek, Texas amending the Town of Hickory Creek Code of Ordinances, Chapter 1: General Provisions, Article 1.09, Records Management, by adding Section 1.09.019, "Time limits for responding to certain requests" establishing monthly and annual time limits on time spent by town personnel on responding to requests for public information.

**TOWN OF HICKORY CREEK, TEXAS
ORDINANCE 2017-08-771**

AN ORDINANCE OF THE TOWN OF HICKORY CREEK, TEXAS AMENDING THE TOWN'S CODE OF ORDINANCES, CHAPTER 1: GENERAL PROVISIONS, ARTICLE 1.09, RECORDS MANAGEMENT, BY ADDING SECTION 1.09.019 "TIME LIMITS FOR RESPONDING TO CERTAIN REQUESTS" ESTABLISHING MONTHLY AND ANNUAL TIME LIMITS ON TIME SPENT BY TOWN PERSONNEL ON RESPONDING TO REQUESTS FOR PUBLIC INFORMATION; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FOR FINDINGS; PROVIDING FOR AMENDMENT TO THE CODE OF ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, during the 85th Regular Session of the Texas Legislature, The Texas Legislature passed H.B. 3107 amending the Public Information Act (Chapter 552 of the Texas Government Code) to allow government entities to establish reasonable monthly and yearly limits on the amount of time that personnel of the governmental entity is required to spend producing public information for inspection or duplication by a requestor, or providing copies of public information to a requestor, without recovering its costs attributable to that personnel time; and

WHEREAS, harassing, repetitive, and/or redundant public information requests asking for a large amount of information (known as "vexatious requests") can impose great financial and time burdens on the Town, as vexatious requests typically require Town personnel to divert their time spent on normal Town tasks to locate, compile, and reproduce the requested information; and

WHEREAS, the Town of Council of the Town of Hickory Creek, Texas, finds it to be in the public interest to amend Chapter 1 "General Provisions," Article 1.09 "Records Management" of the Code of Ordinances by adding Section 1.09.019 "Time Limits for Responding to Requests that Require Large Amounts of Personnel Time" to establish reasonable monthly and yearly limits on the amount of time that Town personnel is required to spend producing public information for inspection or duplication by a requestor, or providing copies of public information to a requestor, without recovering the Town's costs attributable to that personnel time.

NOW THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS:

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2 FINDINGS

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

SECTION 3 AMENDMENT

3.01 That the Town of Hickory Creek Code of Ordinances, Chapter 1: General Provisions; Article 1.09 Records Management of the Code of Ordinances of the Town of Hickory Creek, Texas, is hereby amended by adding Section 1.09.019 “Time Limits for Responding to Certain Requests” to read as follows:

“Section 1.09.019 Time Limits for Responding to Certain Requests

(a) Annual Time Limit. Pursuant to Texas Government Code sec. 552.275(a) and (b), thirty-six (36) hours is the reasonable limit on the amount of time that personnel of the Town are required to spend producing public information for inspection or duplication by a Requestor, or providing copies of public information to a Requestor in any given twelve-month period commencing on October 1 of each year, without recovering the Town's costs attributable to that personnel time.

(b) Monthly Time Limit. Pursuant to Texas Government Code sec. 552.275(a) and (b), fifteen (15) hours is the reasonable limit on the amount of time that personnel of the Town are required to spend producing public information for inspection or duplication by a Requestor, or providing copies of public information to Requestor in any given monthly period commencing on the 1st date of each month, without recovering the Town's costs attributable to that personnel time.

(c) Records of Time Spent Fulfilling Requests. The Records Management Officer and/or designee shall be responsible for maintaining records of the cumulative amount of personnel time spent complying with requests for public information from each individual Requestor.

(d) Charges for Personnel Time Spent in Excess of Time Limits. Notwithstanding any provision of this section to the contrary, any Requestor of public information will be charged personnel costs in accordance with Texas Government Code sec. 552.275 for all time in excess of thirty-six (36) hours in any given twelve-month period commencing on October 1 of each year or fifteen (15) hours in a given monthly period commencing on the 1st date of each month, spent by personnel of the Town in producing public information for inspection or duplication by a Requestor, or providing copies of public information to a requestor. The Records Management Officer shall be responsible for providing all notices to the Requestor as required by law, including written statements of accrued time required by Texas Government Code sec. 552.275(d) and written estimates of charges required by Texas Government Code sec. 552.275(e).

(e) “Requestor” defined. For purposes of this section, “Requestor” shall have the meaning set forth in Texas Government Code sec. 552.003(6).”

3.02 All other articles, chapters, sections, paragraphs, subsections, sentences, phrases, definitions and words are not amended but are hereby ratified and affirmed.

SECTION 4
SEVERABILITY CLAUSE

Should any sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Ordinance as a whole, or any part of provision thereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Ordinance as a whole.

SECTION 5
EFFECTIVE DATE

This ordinance shall take effect upon its passage and publication, and it is accordingly so ordained.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek, Texas, this the 15th day of August, 2017.

Lynn C. Clark, Mayor
Town of Hickory Creek, Texas

ATTEST:

Kristi Rogers, Town Secretary
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

Lance Vanzant, Town Attorney
Town of Hickory Creek, Texas



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.8

Consider and act on a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an agreement for information technology services by and between the Town of Hickory Creek and MiTech Services, L.L.C.

**TOWN OF HICKORY CREEK, TEXAS
RESOLUTION NO. 2017-0815-2**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS, HEREBY AUTHORIZING THE MAYOR OF THE TOWN OF HICKORY CREEK, TEXAS, TO EXECUTE AN AGREEMENT FOR INFORMATION TECHNOLOGY SERVICES BY AND BETWEEN THE TOWN OF HICKORY CREEK AND MITECH SERVICES, L.L.C., AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Hickory Creek (the “Town”), Texas is a Type A General Law Municipality located in Denton County, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to enabling legislation of the State of Texas;

WHEREAS, the Town Council has been presented with a proposed Agreement for information technology services to provide general technology support services (hereinafter the “Agreement”), a copy of which is attached hereto as Exhibit “A” and incorporated herein by reference; and

WHEREAS, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the Town Council is of the opinion that the terms and conditions thereof should be approved, and that the Mayor shall be authorized to execute it on behalf of the Town of Hickory Creek.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Hickory Creek, Texas:

Section 1: That the Mayor of the Town of Hickory Creek, Texas, is hereby authorized to execute on behalf of the Town of Hickory Creek, Texas, the Agreement attached hereto as Exhibit A.

Section 2: This Resolution shall take effect immediately upon its passage.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek, Texas this 15th day of August, 2017.

Lynn C. Clark, Mayor

ATTEST:

Kristi Rogers, Town Secretary

APPROVED AS TO FORM:

Town Attorney
Town of Hickory Creek, Texas



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.9

Consider and act on the acceptance of renewal rates from BlueCross BlueShield for town employee medical coverage for Fiscal Year 2017-2018.

Annual premium costs for the 2017-2018 Fiscal Year are 193,421.34



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.10

Consider and act on acceptance of rates from Dearborn National for town employee life, short term disability and long term disability coverage for Fiscal Year 2017-2018.

Annual premium costs for the 2017-2018 Fiscal Year are 2,083.35 for Life/AD&D, 2,728.80 for Short Term Disability and 3,205.80 for Long Term Disability.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.11

Consider and act on accepting the rates from Principal Financial Group for town employee dental coverage for Fiscal Year 2017-2018.

Annual premium costs for the 2017-2018 Fiscal Year are 5,661.36.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.12

Consider and act on acceptance of rates from EyeMed for town employee vision coverage for Fiscal Year 2017-2018.

Vision coverage is voluntary. No cost to town.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. D.13

Discussion regarding current road and sidewalk projects.

No supporting documentation.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. E.1

Discussion regarding certain real property legally described as A1163A J.W. Simmons, TR 37, 19.795 Acres located (South of Swisher Road, East of Ronald Reagan Avenue, North of Turbeville Road and West of Point Vista Road.)



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. F.1

Discussion and possible action regarding matters discussed in executive session.



Town of Hickory Creek COUNCIL MEMORANDUM

Date: 08/15/2017

From: Kristi Rogers - Town Secretary

Subject: Agenda Item No. G.1

Adjournment