



**NOTICE OF  
REGULAR MEETING OF THE TOWN COUNCIL  
HICKORY CREEK TOWN HALL  
1075 RONALD REAGAN AVENUE, HICKORY CREEK, TEXAS 75065  
TUESDAY, JUNE 18, 2019, 6:30 PM**

**AGENDA**

**Call to Order**

**Roll Call**

**Pledge of Allegiance to the U.S. And Texas Flags**

**Invocation**

**Presentation of Awards**

1. 2018 Citizen of the Year

**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 Town 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.

**Consent Agenda**

Items on the Consent Agenda are considered to be self-explanatory and will be enacted with one motion. No separate discussion of these items will occur unless so requested by at least one member of the Town Council.

2. May 2019 Council Meeting Minutes
3. May 2019 Financial Statements

- [4.](#) Consider and act on a resolution of the Town of Hickory Creek approving the 2019 annual update to the service and assessment plan and assessment roll for Hickory Creek Public Improvement District No.1 including the collection of the 2019 annual installments.
- [5.](#) Consider and act on a resolution of the Town of Hickory Creek approving the 2019 annual update to the service and assessment plan and assessment roll for Hickory Creek Public Improvement District No. 2 including the collection of the 2019 annual installments.
- [6.](#) Consider and act on the 2019-2020 Hickory Creek Economic Development Corporation Budget.
- [7.](#) Consider and act on an ordinance of the Town Council of the Town of Hickory Creek, Texas, amending Article 2.03 Dogs and Cats; providing for incorporation of premises; providing findings; providing for amendment to the Code of Ordinances; providing a cumulative repealer clause; providing for savings; providing for severability; providing for penalty; providing for publication; providing for engrossment and enrollment; and providing and effective date.

### **Regular Agenda**

- [8.](#) Reconvene a public hearing on a request from KSW Holding Hickory Creek, LP to designate the zoning as PD Planned Development on two (2) tracts of land legally described as A1120A H.H. Swisher 50, 5.0 acres and TR 50A(1)(PT), 33.8629 acres, Town of Hickory Creek, Denton County, Texas, and consider and act on an ordinance adopting the same. The properties are located in the 1800 Block of Turbeville Road. This public hearing is a continuance of the May 21, 2019 public hearing.
- [9.](#) Conduct a public hearing on a request from MM Hickory Creek 24, LLC to designate the zoning as PD Planned Development on a 24.277 acre tract of land legally described as A1220A H.H. Swisher, TR 40, 24.277 acres, Town of Hickory Creek, Denton County, Texas, and consider and act on an ordinance adopting the same. The property is located in the 1000 Block of Ronald Reagan Avenue.
- [10.](#) Conduct a public hearing, and consider and act on an ordinance levying assessments for the costs of certain improvements to be provided in the Hickory Farms Public Improvement District; fixing a charge and lien against all properties within the district, and the owners thereof; providing for the manner and method of collection of such assessments; making a finding of special benefit to property in the district; approving a service and assessment plan; providing a severability clause; and providing an effective date.
- [11.](#) Consider and act on a Hickory Farms Public Improvement District Construction, Funding, And Acquisition Agreement.
- [12.](#) Consider and act on an ordinance authorizing the issuance of the "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District)"; 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.

13. Consider and act on a preliminary plat of Hickory Farms, 24.277 acres situated in the H.H. Swisher Survey, Abstract Number 1220, Town of Hickory Creek, Denton County, Texas. The property is located in the 1000 Block of Ronald Reagan Avenue.
14. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas hereby authorizing the Mayor or Town Administrator to deliver notice of intent to renew interlocal agreement to the City of Corinth concerning fire services.
15. Consider and act on an ordinance of the Town Council of the Town of Hickory Creek, Texas, creating Article 3.11 Miscellaneous Building Fees providing for incorporation of premises; providing findings; providing for amendment to the Code of Ordinances.
16. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, hereby adopting a residential building fee schedule; and providing an effective date.
17. Consider and act on appointing council members as liaisons for various boards and commissions.
18. Consider and act on appointment of Mayor Pro Tem.
19. Discussion regarding current road and sidewalk projects.

### **Executive Session**

The Town Council will convene into executive session pursuant to Texas Government Code Section 551.071, Consultation with Attorney on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, or on matters pertaining to pending or contemplated litigation and Section 551.087, Deliberation regarding Economic Development Negotiations, to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the government body seeks to have locate, stay or expand in or near the territory of the government body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

20. Discussion regarding potential economic development agreement related to property located at 1851 Turbeville Road.

### **Reconvene into Open Session**

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

### **Adjournment**

The Town Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Chapter 551.

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to the meeting. Please

contact Town Hall at 940-497-2528 or by fax 940-497-3531 so that appropriate arrangements can be made.

I, Kristi Rogers, Town Secretary, for the Town of Hickory Creek certify that this meeting notice was posted on the bulletin board at Town Hall, 1075 Ronald Reagan Avenue, Hickory Creek, Texas on June 14, 2019 at 11:00 a.m.

A handwritten signature in black ink, appearing to read "Kristi Rogers", is written over a horizontal line.

Kristi Rogers, Town Secretary  
Town of Hickory Creek



**Item Attachment Documents:**

2. May 2019 Council Meeting Minutes

**SPECIAL MEETING OF THE TOWN COUNCIL  
HICKORY CREEK TOWN HALL  
1075 RONALD REAGAN, HICKORY CREEK, TEXAS  
TUESDAY, MAY 07, 2019**

**MINUTES**

**Call to Order**

Mayor Clark called the meeting to order at 5:30 p.m.

**Roll Call**

The following members were present:

Mayor Lynn Clark  
Councilmember Tracee Elrod  
Councilmember Richard DuPree  
Councilmember Chris Gordon  
Mayor Pro Tem Paul Kenney  
Councilmember Ian Theodore

Also in attendance:

John M. Smith, Jr., Town Administrator  
Kristi K. Rogers, Town Secretary  
Carey Dunn, Chief of Police  
Trey Sargent, Town Attorney

**Pledge of Allegiance to the U.S. And Texas Flags**

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

**Invocation**

Mayor Pro Tem Kenney gave the invocation.

**Items of Community Interest**

Expression of thanks was given to Mayor Clark, the Parks and Recreation Board, Adventure Car Wash and citizens who participated in the Great American Clean Up event on Saturday, May 4, 2019.

**Public Comment**

There were no speakers for public comment.

**Public Hearing**

1. Public Hearing: To hear public opinion regarding the voluntary annexation of a 24.277 acre tract of land situated in the H.H. Swisher Survey, Abstract No. 1220, Denton County, Texas.

## **Town Council Meeting Minutes**

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Mayor Clark called the public hearing to order at 5:36 p.m.

Joe Fields, 106 Stallion Lane, stated he resides in Steeplechase Subdivision, where, in addition to property taxes, each property in the community has an assessment of over \$30,000. It is his understanding that the assessments were so the developer could do all the work that had to be done. He respectfully requested the Mayor and town council not approve assessments for the future homeowners of the development of the 24 acres. If he had been aware there were assessments on his property, he would probably had made a different decision when purchasing his home. A developer should be responsible for the cost of development not future homeowners.

With no one else wishing to speak, the public hearing was closed at 5:38 pm.

### **Consent Agenda**

2. Consider and act on allocating funds for repairs to roadways in Lakeview at Point Vista Subdivision.
3. Consider and act on a resolution by the Town of Hickory Creek, Texas denying the distribution cost recovery factor rate request of Oncor Electric Delivery Company, LLC made on or about April 8, 2019; authorizing participation in a coalition of similarly situated cities; authorizing participation in related rate proceedings; requiring the reimbursement of municipal rate case expenses; authorizing the retention of special counsel.

Motion made by Councilmember Elrod to approve Items 2 and 3, Seconded by Councilmember Gordon.

Voting Yea: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

### **Regular Agenda**

4. Presentation of Certificates of Election and Administration of Oaths of Office to candidates declared elected.

Mayor Lynn Clark presented Certificates of Election and administered Oaths of Office to Councilmember Tracee Elrod, Councilmember Chris Gordon and Councilmember Ian Theodore.

### **Adjournment**

Motion made by Councilmember Elrod to adjourn the meeting, Seconded by Councilmember Theodore.

Voting Yea: Councilmember Elrod, Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

The meeting did then stand adjourned at 5:46 p.m.

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Approved:

Attest:

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Lynn C. Clark, Mayor  
Town of Hickory Creek

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Kristi K. Rogers, Town Secretary  
Town of Hickory Creek

**JOINT SPECIAL MEETING OF HICKORY CREEK TOWN COUNCIL, BOARD OF  
ADJUSTMENTS, ECONOMIC DEVELOPMENT CORPORATION, ETHICS BOARD,  
PARKS AND RECREATION BOARD, AND PLANNING AND ZONING COMMISSION  
HICKORY CREEK TOWN HALL  
1075 RONALD REAGAN, HICKORY CREEK, TEXAS  
TUESDAY, MAY 7, 2019**

**MINUTES**

**Call to Order**

Mayor Lynn Clark called the Town Council to order at 6:01 p.m.

Chairman Lisa Rowell called the Parks and Recreation Board to order at 6:02 p.m.

Commissioner Don Rowell called the Planning and Zoning Commission to order at 6:05 p.m.

**Roll Call**

The following town council members were present and constituted a quorum:

Mayor Lynn Clark  
Councilmember Richard DuPree  
Councilmember Chris Gordon  
Mayor Pro Tem Paul Kenney  
Councilmember Ian Theodore

The following town council member was absent: Councilmember Tracee Elrod

The following board of adjustment members were present:

Member Shawn Andrews  
Member Larry Crawford

The following board of adjustment members were absent:

Member Chance Allison  
Member Robert Armstrong  
Member Cheryl Hutchinson  
Alternate, Stuart Birdseye

The following economic development members were present:

President Nate Prevost  
Treasurer Lynn Clark  
Director Sugene May

The following economic development members were absent:

Vice President Bruce Enriquez  
Secretary Nancy Koket  
Director Craig Oglesby  
Director Tracee Elrod

## **Joint Special Meeting Minutes**

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The following ethics board member were absent:

James Schultz

Rick Carruth

Bob Smith

Drew Pickard

Kim Krill

Mary Jean Fields

The following parks and recreation members were present and constituted a quorum:

Chariman Lisa Rowell

Member Kevin Ricer

Member Calin Giuroiu

Member Mandy Larkin

Vice Chariman John Grosskopf

The following parks and recreation members were absent:

Member Nicole Wright

Member Kerby Pierre

The following planning and zoning members were present and constituted a quorum:

Commissioner Mike Thames

Commissioner Jaycee Holston

Commissioner Don Rowell

Commissioner Jan Stefaniak

The following planning and zoning members were absent:

Chairman Bryant Hawkes

Vice Chairman Rodney Barton

Commissioner David Gilmore

Also in attendance:

John M. Smith, Jr., Town Administrator

Kristi K. Rogers, Town Secretary

Kristina Smith, Administrative Assistant

Chris Chaudoir, Administrative Assistant

Trey Sargent, Town Attorney

### **Pledge of Allegiance to the U.S. And Texas Flags**

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

### **Invocation**

Mayor Pro Tem Kenney gave the invocation.

## **Joint Special Meeting Minutes**

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### **Work Session**

1. Discuss and receive training on Open Meetings Act, Public Information Act and meeting procedures.

Mayor Clark introduced Trey Sargent who became the attorney for the town in April 2019. Mr. Sargent then presented training related to the Open Meetings Act, Public Information Act and provided an overview of meeting procedures and answered questions.

### **Adjournment**

Mayor Lynn Clark adjourned the town council at 7:00 p.m.

Commissioner Jan Stefaniak adjourned the planning and zoning commission at 7:00 p.m.

Chariman Lisa Rowell adjourned the parks and recreation meeting at 7:00 p.m.

Approved:

Attest:

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Lynn C. Clark, Mayor  
Town of Hickory Creek

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Kristi K. Rogers, Town Secretary  
Town of Hickory Creek

**REGULAR MEETING OF THE TOWN COUNCIL  
HICKORY CREEK TOWN HALL  
1075 RONALD REAGAN, HICKORY CREEK, TEXAS  
TUESDAY, MAY 21, 2019**

**MINUTES**

**Call to Order**

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

**Roll Call**

The following members were present:

Mayor Lynn Clark

Councilmember Richard DuPree

Councilmember Chris Gordon

Mayor Pro Tem Paul Kenney arrived at 7:20 p.m.

Councilmember Ian Theodore

The following member was absent: Councilmember Tracee Elrod

Also in attendance:

John M. Smith, Jr., Town Administrator

Kristi K. Rogers, Town Secretary

Trey Sargent, Town Attorney

**Pledge of Allegiance to the U.S. And Texas Flags**

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

**Invocation**

Councilmember Theodore gave the invocation.

**Presentation of Awards**

1. 2018 Citizen of the Year

2018 Citizen of the Year was not in attendance.

2. Susan Irwin

Mayor Clark presented Susan Irwin a plaque of appreciation for her years of service on the Parks and Recreation Board.

**Items of Community Interest**

Sergeant Mike Miller was honored as May 2019 First Responder of the Month at the Lake Cities Chamber of Commerce luncheon.

All boat ramps with the exception of Arrowhead Leg 1 are currently closed. Hickory Creek residents can purchase a boat ramp pass for a 35.00 fee for one year, 60.00 for two years. The 20.00 fee for a day use pass is waived for Hickory Creek residents.



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Expression of thanks was given to Mayor Clark and John Smith, Town Administrator, for providing presentations regarding economic development and things of interest in town at the Lake Cities Chamber Commerce meetings and Home Owner Association meetings.

Lake Cities Serve has been rescheduled for June 8, 2019. Volunteers are needed to serve the elderly, disabled and widowed that need assistance with painting, lawn care, home maintenance and minor repairs.

### **Public Comment**

Diane Ciarloni, 28 Arrowhead Circle, urged the town council to consider home occupation standards for residential districts. It would be a tremendous improvement to the entire town, especially her neighborhood and greatly appreciated.

### **Public Hearing**

3. Public Hearing: To hear public opinion regarding a request from KSW Holding Hickory Creek, LP to designate the zoning as PD Planned Development on two (2) tracts of land legally described as A1120A H.H. Swisher 50, 5.0 acres and TR 50A(1)(PT), 33.8629 acres, Town of Hickory Creek, Denton County, Texas. The properties are located in the 1800 Block of Turbeville Road.

Mayor Clark called the public hearing to order at 6:40 p.m.

Martin Stein, 3974 Summit Ridge Drive, Corinth, Texas, stated he was here to address the proposed zoning changes and development for the lot owned by T Chateau Event Center, LLC. He is concerned with the crime the hotel will bring including drugs, prostitution and human trafficking. Hotels are magnets for these crimes because of the privacy provided allowing criminals to easily come and go. Between 2012 and 2016 the national human trafficking hotline received over 6,600 tips involving hotels and motels. Human trafficking and prostitution are so bad that major companies like the Wyndham Hotel Group and Hyatt hotels have partnered with anti-human trafficking groups and law enforcement. Drugs including heroin, meth and opioids are a growing problem in Denton County. According to the DA, hotels are a great location for a drug deal. Illegal drug production also occurs in hotels which is a major fire danger and environmental hazard. Not only will this development be out of place in a single family residential neighborhood, it will be a life threatening hazard, attracting criminals from the DFW Metroplex. Many Lake Cities residents moved here to specifically get away from these kinds of dangers.

Larry and Cindy Waymire, 118 Manor Lane, stated four years ago they sold their home in Little Elm. While living in an apartment for a year, they visited many communities and they came upon this nice little community called Steeplechase. They decided to build a home here and have loved living in the community it is nice and quiet. Their home has increased in value over the last three years but with a hotel coming in around the corner they are very concerned the property value will decrease. They no longer will have the quiet, small community they were drawn to if the hotel is built. The wedding venue is fine, but the hotel is not.

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Ruben Felan, 112 Colt Lane, stated not everyone is against change but a drastic change in the neighborhood will create a quality of life issue for the families living near the mansion. Is the town ready for this type of growth with a twelve man police department?

Afterparties at the hotel could increase police calls with noise complaints and intoxicated people arguing leading to domestic situations. The increase in police calls at the hotel will affect police service for residents. Even if the venue hires off duty police officers, any disturbance or arrest, will require a Hickory Creek police officer. Mr. Felan read the town council's bios. The bios state the council wants to do what is best for the citizens, the I-35 expansion and be fair to business in the community. What's best for citizens is not affecting their quality of life, the expansion should remain on I-35 and when it comes to being fair, the developer got the event center.

Matt Norwood, 130 Shadow Creek Lane, stated he would like to ask for the council to vote no on the zoning request by KSW Holding Hickory Creek. The development of a hotel offers zero benefit to the residents of Hickory Creek only negatives. The hotel and property will mean more drinking by the new guests, more traffic down Turbeville and a party that does not stop until the late hours of the night. There will be a negative impact on property values. Currently there are 16 homes for sale between here and Parkridge Drive. On average, the homes have been listed for 103 days and, of those homes, 70% have had at least one price reduction. This development is inappropriate in the middle of residential neighborhoods and to have a hotel back up to the homes in Steeplechase North is just wrong. Normally he would agree when you purchase a home, you should look at the surrounding properties to see what could be there. However in this case, the potential outcome was unimaginable. By agreeing to the zoning change, the damage inflicted to residents on the west side of town will far outweigh the marginal gain in tax revenue. The residents of Steeplechase North voluntarily petitioned to be annexed into the town in 2017. Please do not let them down, as well as all the residents west of I-35.

Debbie Leuthold, 225 Pimlico Drive, stated she lives in Steeplechase Ranch across the street from the mansion. Her biggest fear is the hotel will cause property values to decrease. The subdivision is not even 50% built and houses are not selling. Turbeville Road is a small two lane road that is poorly lit. The increased traffic, people going to and leaving events, with alcohol involved causes a huge safety issue. In order to keep the crime and traffic off of Turbeville, it would be better if the main entrance for the venue was off of Swisher Road.

Kate Kohl, 206 Saratoga Drive, stated she and her late husband purchased their home directly across from the mansion in 2015. Most everyone attending the meeting is in despair about plummeting home values, fear of party noise, bright lights and too much alcohol for hours and hours. What really concerns her the most is the fantastic wildlife that make their home here year round. Every morning, noon and night hundreds of birds, ducks and eagles put a show on in their lovely wooded serene lake home. A hotel and restaurant would definitely impact the birds and other critters natural habitat and breeding camps that are here now. So many varieties of birds inhabit the trees and skies. It can not be taken for granted and as homeowners we know it. Help preserve the wildlife and consider this critical factor when you vote.

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Gwen Grimsley, 200 Stallion Lane, stated she and her husband sold their home when they found Hickory Creek. Since the home they were purchasing was right off of Turbeville, they asked if it would ever be a thoroughfare and were told no. By allowing a hotel, the drive to and from I-35 to their home will be impossible when events are going on, lower property values and destroy the sweet sleepy town they love.

Diane Ciarloni, 28 Arrowhead Circle, stated she does not live on the west side, she lives on the east side but has lived here long enough to see the ridiculous power shifts go on between the east side and the west side. She understands the impact the development will have on the residents on the west side and whatever affects the west side will also affect the east side and vice versa. She asked the council to be super cautious about setting a precedence by approving a hotel. The council should keep in the forefront of every decision they make, the affect it would have on property values.

Sara Barton, 17 Hidden Hills Road, stated she feels everyone lives in Hickory Creek because of the unique, quiet and beautiful place that it is and any commercial on Turbeville should be kept by the freeway where it belongs, not in neighborhoods. She totally agrees with what everyone has said, and she opposes the zoning change.

Rich Mamola, 325 Pimlico Drive, stated he moved to Hickory Creek from Flower Mound to get away from the very busy Lakeside DFW development which included a hotel. He is against the rezoning for the proposed hotel, restaurant and spa. The traffic, noise and possibility of more construction will not be good for those living in the neighborhood. Property values will not go up, they will go down.

Glenn Streetly, 105 Hilltop Lane, stated he is opposed to the council allowing the hotel to be built. If the venture fails, with the property zoned commercial, restaurants and Target that do not belong in residential neighborhoods could be constructed. Several years ago the property was zoned single family and now the council wants to change the rules on everyone by zoning it commercial. The property is beautiful. He does not want to see a multi-level hotel or the issues that go with it. The mansion and the surrounding property would have made a great golf course. Please stop this before it starts.

Sherrie Strong, 108 Thoroughbred Drive, stated she is a recent transplant from Atlanta, Georgia. She has seen exponential, crazy, unplanned growth but she has also seen cities that have planned very well with strict codes, designs and things in place including drainage and stoplights prior to development. Her taxes should not pay for widening Turbeville Road, it was never designed to handle commercial traffic. The property is a lovely place for a wedding venue but there should be an entrance off of Swisher. Catering trucks and large buses transporting guests from the airport to the venue do not need to be on Turbeville Road. There are real safety concerns with the private school nearby and those who walk their dogs. The hotel does not need to be in a residential area. Please keep commercial on Swisher or Interstate 35 and out of residential areas.

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Jennifer Fernandez, 217 Thoroughbred Drive, stated she and her husband moved from Keller when commercial was being built around them and property values were going down. They do not want that to happen in Hickory Creek. Allowing commercial zoning sets a bad precedence and hurts the residential community. They have lived here for two years. Hickory Creek is a wonderful blessing. It is a great place to walk their dogs and to the lake. They were drawn to the small community and love it. Many residents have lived in other communities and have seen what happens when they are commercialized. She hopes the council will hear their voices and realize, as taxpayers, they matter.

Sebastian Astuto, 116 Arabian Lane, stated he moved here from Omaha, Nebraska and has lived here for 2 ½ years. He agrees with everyone that this is a lovely area and the reason they moved here. He doesn't understand exactly what they are planning to do with the property, so he can't moan until he knows more about it. Whatever the council decides, he hopes it is something very nice and elegant.

Gracie Lallie, 110 Saratoga Drive, stated she built her house four years ago and has been very happy. She planted a beautiful tree in the easement behind her home. Her house is going to be affected by this new construction because, if she wants to sell her house, who wants to live at the back of a hotel, restaurant and spa. Please don't destroy the area that is so beautiful. She built here because of the peace and quiet. The hotel and restaurant will cause noise.

Chip Atchison, 108 Saratoga Drive, stated he moved here 4 ½ years ago from Highland Village. There was a local election not long ago, and he voted for those on the ballot that talked about keeping Hickory Creek what it was instead of creating a commercial environment. He is concerned with the lack of communication the community has had with the developer. It wasn't until the planning and zoning meeting that he learned they were planning to put a hotel right behind homes. Noise is a concern and last week, when they were putting in the parking lot, the construction crew was listening to music so loud it could be heard on Parkridge Drive. Since purchasing the property, the developer has not mowed the west side of the property and do not care about the residents as long as they get their hotel. Turbeville Road is a safety concern because families walk across the street to utilize the community pool and it will cost taxpayers more for police to patrol the area.

Alicia Baum, 109 Northfield Circle, stated she attended the planning and zoning meeting and wanted to bring a few things to everyone's attention. Why would the developer hold events with approximately only 300 in attendance when the venue could hold 1,000? It doesn't seem to be a good investment. The property was on the market in November 2018. What is going to stop them from selling it once it is zoned commercial?

Laura Canada Lewis, 8765 Stockard Drive, Frisco, Texas, representing KSW Holding Hickory Creek, LP, stated she has heard the comments and, without getting into a lengthy presentation, there is no parking garage involved with this development and, since KSW Holding purchased the property, it has not been on the market. The developer will host meetings with the community to address concerns, Tuesday, May 28<sup>th</sup> at 9:30 a.m. and 6:00 p.m. in the parking lot of The Olana or if it is raining, they would ask the town if the meetings could be held at town hall. Mrs. Lewis requested the town council continue the public hearing until the next town council meeting.

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Motion made by Councilmember Gordon for a continuance of the public hearing,  
Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon and Councilmember Theodore.

Abstaining: Mayor Pro Tem Kenney. Motion passed.

Kevin Gladden, 110 Shadow Creek Lane, requested to speak and was granted permission by Mayor Clark. He and his wife sold their home in Lantana and purchased in Hickory Creek because it is a small quiet community. For the town council to be continuing the public hearing, he feels the town council must be considering the hotel. His children walk along Turbeville. No one here or in the community wants a hotel. The people who voted the council into office do not want this. Nobody wants the traffic or crime. It will not bring much to the tax base and will kill property values.

4. Public Hearing: To hear public opinion regarding the voluntary annexation of a 24.277 acre tract of land situated in the H.H. Swisher Survey, Abstract No. 1220, Denton County, Texas.

Mayor Clark called the public hearing to order at 7:25 p.m.

Robert Miklos, 1800 Valley View Lane, Suite 360, Farmers Branch, Texas, stated he represents the property owner for the twenty four plus acres. Originally the annexation was to occur after any possible bond issuance for the public improvement district but at the request of Hickory Creek staff, it was agreed upon to move forward with the annexation. The property owner is also in favor of the creation of the public improvement district.

With no one else wishing to speak, Mayor Clark closed the public hearing at 7:27 p.m.

5. Public Hearing: To hear public opinion regarding the creation of the Hickory Farms Public Improvement District.

Mayor Clark called the public hearing to order at 7:27 p.m. With no one wishing to speak, the public hearing was closed at 7:27 p.m.

### **Consent Agenda**

6. April 2019 Council Meeting Minutes
7. April 2019 Financial Statements
8. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, nominating one candidate to a slate of nominees for the board of managers of the Denco area 9-1-1 District.
9. Consider and act on 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 a First Amendment to an Interlocal Agreement for services by and between the Town of Hickory Creek, Texas and Span, Inc., and providing an effective date.

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Motion made by Councilmember DuPree to approve Items 6 thru 9 as presented, Seconded by Councilmember Gordon.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

### **Regular Agenda**

10. Interviews for various boards and commissions.

The town council interviewed Jan Bowman, Joey Hernandez and David Jones for various boards and commissions.

11. Consider and act on a final plat of Folly Beach Addition, Lots 1 and 2, Block A, being 0.53 acres of land situated in the Lowery Cobb Survey, Abstract No. 284, Town of Hickory Creek, Denton County, Texas. The property is located at 108 Folly Beach Road in the extraterritorial jurisdiction.

Motion made by Councilmember Theodore to approve the final plat of Folly Beach Addition, Lots 1 and 2, Block A, in the Lowery Cobb Survey, Abstract No. 284, Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

12. Consider and act on appointments to Board of Adjustments.

Motion made by Councilmember Gordon to appoint Joey Hernandez to Position 1, Jan Bowman to Position 3 and David Jones to Position 5 of the Board of Adjustments, Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

13. Consider and act on appointments to the Code of Ethics Board.

Tracee Elrod would like to reappoint Kim Krill; Chris Gordon would like to reappoint James Schultz; Ian Theodore would like to reappoint Rick Carruth and Lynn Clark would like to appoint Lynn Bender.

Motion made by Councilmember Gordon to approve the reappointments and appointment as presented, Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

14. Consider and act on appointments to the Parks and Recreation Board.

Members currently serving who would like to be reappointed: Kevin Ricer, Place 1; Calin Giuroiu, Place 3; Mandy Larkin, Place 5 and Lisa Rowell, Place 7.

Motion made by Mayor Pro Tem Kenney to approve the reappointments as presented., Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

## Town Council Meeting Minutes

May 21, 2019

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15. Consider and act on appointments to the Planning and Zoning Commission.

Members currently serving who would like to be reappointed: Mike Thames, Place 1; Jaycee Holston, Place 3; Don Rowell, Place 5 and David Gilmore, Place 7.

Motion made by Councilmember Gordon for Place 1 to remain vacant and to reappoint Places 3, 5 and 7 as presented, Seconded by Mayor Pro Tem Kenney.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

16. Consider and act on an ordinance of the Town Council of Hickory Creek, Texas, amending as heretofore amended, its comprehensive zoning ordinance, and amending the official zoning map of the Town by designating certain tracts of land legally described as A1120A H.H. Swisher TR 50, 5.0 acres and TR 50A (1) (PT) of land being more particularly described in Exhibit "A," attached hereto and incorporated herein; as PD (Planned Development); providing that such tracts of land shall be used in accordance with the applicable requirements of the comprehensive zoning ordinance and all other applicable ordinances of the Town; providing that the zoning map shall reflect the Planned Development Zoning District designation for the subject property; providing a preliminary site plan; providing development standards; providing a cumulative clause; providing a penalty not to exceed the sum of two thousand dollars (\$2,000.00) for each offense and a separate offense shall be deemed committed each day during or on which a violation occurs or continues; providing for the Town of Hickory Creek to bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity; providing for publication; providing for engrossment and enrollment; and providing an effective date.( KSW Holding Hickory Creek, L.P.)

Motion made by Councilmember Gordon to postpone Item 16 until the next meeting on June 18<sup>th</sup>, Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

17. Consider and act on an ordinance annexing the hereinafter described territory to Town of Hickory Creek, Denton County, Texas, and extending the boundary limits of said Town so as to include a certain 24.277 acre tract of land situated in the H.H. Swisher Survey, Abstract No. 1220, Denton County, Texas within said town limits, and granting to all the inhabitants of said property all the rights and privileges of other citizens and binding said inhabitants by all of the acts, ordinances, resolutions, and regulations of the town; adopting a service plan; and providing an effective date.( MM Hickory Creek 24, LLC.)

Motion made by Councilmember Gordon to approve Item 17 as presented, Seconded by Councilmember Theodore.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

## Town Council Meeting Minutes

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18. Consider and act on a resolution regarding the creation of a public improvement district and ordering public improvements to be made for the benefit of such district; providing for a severability clause; providing an effective date; and containing other matters relating to the subject.

Jeff Gulbas, McCall Parkhurst & Horton, bond counsel for the town, provided an overview of a public improvement district at the request of the town council and answered their questions. Per the development agreement, those purchasing homes will know during the buying process that they are purchasing in a public improvement district and subject to assessments.

Motion made by Councilmember Theodore to approve Item 18, Seconded by Councilmember Gordon.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

19. Consider and act on a resolution of the Town of Hickory Creek, Texas determining the costs of certain authorized improvements to be financed by the Hickory Farms Public Improvement District; approving the Hickory Farms Public Improvement District Preliminary Service And Assessment Plan, including proposed assessment roll; directing the filing of the proposed assessment roll with the Town Secretary; calling a public hearing to consider an ordinance levying assessments on property located within the hickory farms public improvement district; directing the town staff to publish and mail notice of said public hearing; and resolving other matters incident and related thereto.

Mary Petty, P3Works, PID administrator for the town, provided an overview of the Hickory Farms Public Improvement District Service and Assessment Plan.

Motion made by Councilmember Gordon to approve a resolution of the Town of Hickory Creek, Texas determining the costs of certain authorized improvements to be financed by the Hickory Farms Public Improvement District as presented; calling a public hearing to levy assessments on June 18, 2019 , Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

20. Consider and act on a resolution approving the form and authorizing the distribution of a preliminary limited offering memorandum for "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District)"

Jeff Gulbas, McCall Parkhurst & Horton, bond counsel for the town, provided an overview of the preliminary limited offering memorandum document.

Motion made by Councilmember Gordon to approve the form and authorizing the distribution of a preliminary limited offering memorandum for "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019," Seconded by Councilmember Theodore.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.



## Town Council Meeting Minutes

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21. Consider and act on 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 services by and between the Town of Hickory Creek, Texas and Allstar Watersports; and providing an effective date.

No action taken.

22. Consider and act on 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 services by and between the Town of Hickory Creek, Texas and Watertoyz, LLC; and providing an effective date.

Motion made by Councilmember Theodore to approve 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 services by and between the Town of Hickory Creek, Texas and Watertoyz, LLC; and providing an effective date; once the certificate of insurance has been provided in the correct form, Seconded by Mayor Pro Tem Kenney. Voting Yea: Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Voting Nay: Councilmember DuPree. Motion passed.

23. Consider and act on a request from the City of Lake Dallas regarding the de-annexation of three properties legally described as A0284A Cobb, TR 63(PT), 0.3241 Acres; TR 63 (ROW), 0.2159 Acres; and TR 64, 0.2066.

No action taken.

24. Consider and act on a request from the City of Lake Dallas to increase Hickory Creek's contribution for the 2019 Lake Cities 4th of July Celebration.

Motion made by Mayor Pro Tem Kenney to contribute \$5,000 to the Lake Cities 4<sup>th</sup> of July Celebration as budgeted, Seconded by Councilmember Gordon.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

25. Consider and act on an ordinance of the Town Council of the Town of Hickory Creek, Texas, amending Article 1.10 Parks and Recreation; Article 4.04 Wrecker Service; Article 4.05 Alcoholic Beverages; Article A2.000 Business Related Fees; providing for incorporation of premises; providing findings; providing for amendment to the code of ordinances; providing a cumulative repealer clause; providing for savings; providing for severability; providing for penalty; providing for publication; providing for engrossment and enrollment; and providing an effective date.

Motion made by Councilmember Theodore Item 25 as presented, Seconded by Councilmember Gordon.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

26. Discuss development of new home occupation standards for residential districts and provide direction to staff concerning same.

Discussions were held regarding home occupation standards for residential districts.

## **Town Council Meeting Minutes**

**May 21, 2019**

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27. Discussion regarding current road and sidewalk projects.

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

### **Executive Session**

The Town Council convened into executive session at 8:43 p.m. pursuant to Texas Government Code Section 551.071, Consultation with Attorney on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, or on matters pertaining to pending or contemplated litigation and Section 551.072 to deliberate the purchase, exchange, lease or value of real property.

28. Point Vista Addition Blk 1 Lot 3
29. Lakeview at Point Vista Phase 2 Blk J Lot 57
30. Sycamore Bend Road DCAD Property ID 62347
31. Sycamore Bend Road DCAD Property ID 62366
32. Sycamore Bend Road DCAD Property ID 62372

### **Reconvene into Open Session**

The Town Council reconvened into open session at 9:24 p.m.

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

Point Vista Addition Blk 1 Lot 3

Motion made by Councilmember Gordon to authorize the town administrator to enter into negotiations as discussed in executive session, Seconded by Councilmember Theodore.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

Lakeview at Point Vista Phase 2 Blk J Lot 57

Motion made by Councilmember Gordon to authorize the town administrator to enter into negotiations as discussed in executive session, Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

Sycamore Bend Road DCAD Property ID 62347

Motion made by Councilmember Gordon to authorize the town administrator to move forward with plans as discussed in executive session, Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

**Town Council Meeting Minutes**

**May 21, 2019**

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Sycamore Bend Road DCAD Property ID 62366

Motion made by Councilmember Gordon to authorize the town administrator to move forward with plans as discussed in executive session, Seconded by Councilmember Theodore.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

Sycamore Bend Road DCAD Property ID 62372

Motion made by Councilmember Gordon to authorize the town administrator to move forward with plans as discussed in executive session, Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

**Adjournment**

Motion made by Councilmember Theodore to adjourn the meeting, Seconded by Councilmember DuPree.

Voting Yea: Councilmember DuPree, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

The meeting did then stand adjourned at 9:26 p.m.

Approved:

Attest:

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Lynn C. Clark, Mayor  
Town of Hickory Creek

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Kristi K. Rogers, Town Secretary  
Town of Hickory Creek

**Item Attachment Documents:**

3. May 2019 Financial Statements

Town of Hickory Creek  
**Balance Sheet**  
As of May 31, 2019

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	<u>May 31, 19</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
BOA - Animal Shelter Fund	18,837.22
BOA - Drug Forfeiture	1,949.07
BOA - Drug Seizure	5,698.49
BOA - General Fund	77,651.29
BOA - Parks and Recreation	153,171.24
BOA - Payroll	260.00
BOA - Police State Training	5,178.78
Logic Animal Shelter Facility	9,383.95
Logic Harbor Ln-Sycamore Bend	3,271.92
Logic Investment Fund	3,446,157.56
Logic Street & Road Improvement	559,561.27
Logic Turbeville Road	210,507.07
	<hr/>
<b>Total Checking/Savings</b>	4,491,627.86
<b>Accounts Receivable</b>	
Municipal Court Payments	5,966.20
	<hr/>
<b>Total Accounts Receivable</b>	5,966.20
	<hr/>
<b>Total Current Assets</b>	4,497,594.06
	<hr/>
<b>TOTAL ASSETS</b>	<b>4,497,594.06</b>
	<hr/>
<b>LIABILITIES &amp; EQUITY</b>	0.00

Town of Hickory Creek  
**Profit & Loss**  
May 2019

	May 19
Ordinary Income/Expense	
Income	
Ad Valorem Tax Revenue	
4002 M&O	5,240.35
4004 M&O Penalties & Interest	988.18
4006 Delinquent M&O	1,409.97
4008 I&S Debt Service	4,157.05
4010 I&S Penalties & Interest	216.55
4012 Delinquent I&S	1,231.01
Total Ad Valorem Tax Revenue	13,243.11
Building Department Revenue	
4102 Building Permits	33,570.21
4106 Contractor Registration	750.00
4108 Preliminary/Final Plat	2,300.00
4124 Sign Permits	75.00
Total Building Department Revenue	36,695.21
Franchise Fee Revenue	
4202 Atmos Energy	39,934.96
4204 Charter Communications	10,577.86
4206 CenturyLink	629.34
4212 Waste Management	2,781.93
Total Franchise Fee Revenue	53,924.09
Interest Revenue	
4302 Animal Shelter Interest	21.19
4308 Drug Forfeiture Interest	0.08
4310 Drug Seizure Interest	0.12
4314 Logic Investment Interest	8,089.19
4320 Logic Street/Road Improv.	1,204.96
4322 Logic Turbeville Road	453.32
4326 PD State Training Interest	0.22
4328 Logic Harbor/Sycamore Bend	7.09
Total Interest Revenue	9,776.17
Miscellaneous Revenue	
4502 Animal Adoption & Impound	750.00
4506 Animal Shelter Donations	150.00
4508 Annual Park Passes	7,217.05
4510 Arrowhead Park Fees	9,763.00
4530 Other Receivables	610.42
4536 Point Vista Park Fees	349.00
4550 Sycamore Bend Fees	1,637.00
Total Miscellaneous Revenue	20,476.47
Municipal Court Revenue	
4602 Building Security Fee	964.68
4604 Citations	38,503.34
4606 Court Technology Fee	1,236.25

Town of Hickory Creek  
**Profit & Loss**  
May 2019

	May 19
4612 State Court Costs	17,852.24
4614 Child Safety Fee	103.07
Total Municipal Court Revenue	58,659.58
Sales Tax Revenue	
4702 Sales Tax General Fund	118,264.78
4706 Sales Tax 4B Corporation	39,421.60
Total Sales Tax Revenue	157,686.38
Total Income	350,461.01
Gross Profit	350,461.01
Expense	
Capital Outlay	
5010 Street Maintenance	206.98
5022 Parks and Rec Improvements	5,400.00
5028 Turbeville/Point Vista	996,073.94
Total Capital Outlay	1,001,680.92
General Government	
5202 Bank Service Charges	35.00
5206 Computer Hardware/Software	70.98
5208 Copier Rental	546.42
5212 EDC Tax Payment	39,421.60
5216 Volunteer/Staff Events	784.97
5222 Office Supplies & Equip.	166.84
5224 Postage	591.25
5226 Community Cause	295.60
5228 Town Council/Board Expense	183.70
Total General Government	42,096.36
Municipal Court	
5304 Building Security	184.93
5312 Court Technology	2,348.73
5318 Merchant Fees/Credit Cards	-214.09
5322 Office Supplies/Equipment	214.78
5332 Warrants Collected	-13.46
Total Municipal Court	2,520.89
Parks and Recreation	
5402 Events	39.34
5408 Tanglewood Park	43.85
Total Parks and Recreation	83.19
Parks Corps of Engineer	
5432 Arrowhead	2,361.94
5434 Harbor Grove	253.59
5436 Point Vista	505.20
5438 Sycamore Bend	-473.82

Town of Hickory Creek  
Profit & Loss  
May 2019

	May 19
Total Parks Corps of Engineer	2,646.91
Personnel	
5502 Administration Wages	32,833.04
5504 Municipal Court Wages	19,769.67
5506 Police Wages	76,012.20
5507 Police Overtime Wages	3,514.83
5508 Public Works Wages	20,799.53
5509 Public Works Overtime Wage	249.57
5510 Health Insurance	16,696.81
5514 Payroll Expense	2,278.83
5518 Retirement (TMRS)	18,368.45
5520 Unemployment (TWC)	305.64
Total Personnel	190,828.57
Police Department	
5602 Auto Gas & Oil	2,503.06
5606 Auto Maintenance & Repair	2,937.06
5612 Computer Hardware/Software	19,313.82
5614 Crime Lab Analysis	356.62
5630 Personnel Equipment	53.42
5636 Uniforms	500.15
5640 Training & Education	380.00
5644 Citizens on Patrol	405.60
5646 Community Outreach	175.78
5648 K9 Unit	765.67
Total Police Department	27,391.18
Public Works Department	
5706 Animal Control Supplies	420.00
5708 Animal Control Vet Fees	291.44
5710 Auto Gas & Oil	1,159.70
5714 Auto Maintenance/Repair	925.40
5716 Beautification	497.50
5720 Dues & Memberships	232.00
5722 Equipment	299.00
5724 Equipment Maintenance	441.69
5728 Equipment Supplies	124.49
5734 Radios	378.26
5742 Uniforms	256.32
5748 Landscaping Services	8,773.80
Total Public Works Department	13,799.60
Services	
5804 Attorney Fees	4,473.70
5812 Document Management	147.04
5814 Engineering	3,069.51
5818 Inspections	4,272.00
5822 Legal Notices/Advertising	314.20
5824 Library Services	126.50
5826 Municipal Judge	1,920.00



Town of Hickory Creek  
**Profit & Loss**  
May 2019

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	<u>May 19</u>
5840 Denton County Dispatch	<u>29,301.00</u>
Total Services	43,623.95
Utilities & Maintenance	
5902 Bldg Maintenance/Supplies	8,817.88
5904 Electric	2,426.74
5906 Gas	57.04
5908 Street Lighting	2,907.09
5910 Telephone	772.47
5912 Water	<u>971.23</u>
Total Utilities & Maintenance	<u>15,952.45</u>
Total Expense	<u>1,340,624.02</u>
Net Ordinary Income	<u>-990,163.01</u>
Net Income	<u><u>-990,163.01</u></u>

Town of Hickory Creek  
**Budget vs. Actual Year to Date 66.67%**  
October 2018 through May 2019

	Oct '18 - May 19	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Ad Valorem Tax Revenue			
4002 M&O	1,137,239.94	1,152,558.00	98.7%
4004 M&O Penalties & Interest	3,219.66	5,000.00	64.4%
4006 Delinquent M&O	8,481.87	3,500.00	242.3%
4008 I&S Debt Service	799,394.42	809,318.00	98.8%
4010 I&S Penalties & Interest	1,148.66	3,000.00	38.3%
4012 Delinquent I&S	7,186.70	2,500.00	287.5%
<b>Total Ad Valorem Tax Revenue</b>	<b>1,956,671.25</b>	<b>1,975,876.00</b>	<b>99.0%</b>
<b>Building Department Revenue</b>			
4102 Building Permits	189,201.75	225,000.00	84.1%
4104 Certificate of Occupancy	1,875.00	2,000.00	93.8%
4106 Contractor Registration	3,225.00	4,000.00	80.6%
4108 Preliminary/Final Plat	2,820.00	520.00	542.3%
4110 Prelim/Final Site Plan	0.00	0.00	0.0%
4112 Health Inspections	8,740.00	8,740.00	100.0%
4122 Septic Permits	0.00	850.00	0.0%
4124 Sign Permits	2,900.00	2,400.00	120.8%
4126 Special Use Permit	5.00	200.00	2.5%
4128 Variance Fee	250.00	500.00	50.0%
4130 Vendor Fee	75.00	200.00	37.5%
4132 Alarm Permit Fees	550.00	800.00	68.8%
<b>Total Building Department Revenue</b>	<b>209,641.75</b>	<b>245,210.00</b>	<b>85.5%</b>
<b>Franchise Fee Revenue</b>			
4202 Atmos Energy	39,934.96	30,000.00	133.1%
4204 Charter Communications	31,902.22	42,500.00	75.1%
4206 CenturyLink	1,989.18	2,500.00	79.6%
4208 CoServ	3,753.35	4,200.00	89.4%
4210 Oncor Electric	144,600.76	144,269.00	100.2%
4212 Waste Management	25,470.04	40,000.00	63.7%
<b>Total Franchise Fee Revenue</b>	<b>247,650.51</b>	<b>263,469.00</b>	<b>94.0%</b>
<b>Interest Revenue</b>			
4302 Animal Shelter Interest	163.27	100.00	163.3%
4308 Drug Forfeiture Interest	0.84	1.00	84.0%
4310 Drug Seizure Interest	0.31	0.00	100.0%
4314 Logic Investment Interest	66,817.80	48,000.00	139.2%
4320 Logic Street/Road Improv.	9,670.37	8,700.00	111.2%
4322 Logic Turbeville Road	3,495.47	3,500.00	99.9%
4326 PD State Training Interest	1.72	2.00	86.0%
4328 Logic Harbor/Sycamore Bend	54.33	35.00	155.2%
<b>Total Interest Revenue</b>	<b>80,204.11</b>	<b>60,338.00</b>	<b>132.9%</b>
<b>Interlocal Revenue</b>			
4402 Corp Contract Current Year	0.00	34,000.00	0.0%
<b>Total Interlocal Revenue</b>	<b>0.00</b>	<b>34,000.00</b>	<b>0.0%</b>
<b>Miscellaneous Revenue</b>			
4502 Animal Adoption & Impound	8,700.00	6,500.00	133.8%
4506 Animal Shelter Donations	459.00	1,000.00	45.9%
4508 Annual Park Passes	21,249.66	20,000.00	106.2%
4510 Arrowhead Park Fees	21,433.00	18,000.00	119.1%
4512 Beer & Wine Permit	0.00	60.00	0.0%
4516 Corp Parks Prior Year Rev	0.00	0.00	0.0%

9:32 AM

06/12/19

Accrual Basis

Town of Hickory Creek  
**Budget vs. Actual Year to Date 66.67%**  
 October 2018 through May 2019

	Oct '18 - May 19	Budget	% of Budget
4518 Drug Forfeiture	0.00	0.00	0.0%
4520 Drug Seizure	2,849.00	2,849.00	100.0%
4522 EDCPayment/Ronald Reagan	0.00	45,778.00	0.0%
4524 Fund Balance Reserve	0.00	697,844.32	0.0%
4526 Mineral Rights	0.00	300.00	0.0%
4528 NSF Fees	0.00	50.00	0.0%
4530 Other Receivables	49,851.68	48,000.00	103.9%
4534 PD State Training	1,252.68	1,252.68	100.0%
4536 Point Vista Park Fees	1,345.00	5,000.00	26.9%
4546 Street Bond Proceeds	0.00	452,713.00	0.0%
4550 Sycamore Bend Fees	9,370.75	15,000.00	62.5%
4554 Building Security Fund Res	0.00	23,400.00	0.0%
4556 Court Tech Fund Reserve	0.00	3,525.00	0.0%
4558 Harbor Lane/Sycamore Bend	0.00	0.00	0.0%
<b>Total Miscellaneous Revenue</b>	<b>116,510.77</b>	<b>1,341,272.00</b>	<b>8.7%</b>
<b>Municipal Court Revenue</b>			
4602 Building Security Fee	5,866.31	8,400.00	69.8%
4604 Citations	298,529.04	525,000.00	56.9%
4606 Court Technology Fee	7,696.76	11,025.00	69.8%
4612 State Court Costs	137,296.45	199,500.00	68.8%
4614 Child Safety Fee	503.07	1,000.00	50.3%
<b>Total Municipal Court Revenue</b>	<b>449,891.63</b>	<b>744,925.00</b>	<b>60.4%</b>
<b>Sales Tax Revenue</b>			
4702 Sales Tax General Fund	744,638.83	1,143,750.00	65.1%
4706 Sales Tax 4B Corporation	258,788.65	381,250.00	67.9%
4708 Sales Tax Mixed Beverage	230.28	0.00	100.0%
<b>Total Sales Tax Revenue</b>	<b>1,003,657.76</b>	<b>1,525,000.00</b>	<b>65.8%</b>
<b>Total Income</b>	<b>4,064,227.78</b>	<b>6,190,090.00</b>	<b>65.7%</b>
<b>Gross Profit</b>	<b>4,064,227.78</b>	<b>6,190,090.00</b>	<b>65.7%</b>
<b>Expense</b>			
<b>Capital Outlay</b>			
5010 Street Maintenance	9,555.73	50,000.00	19.1%
5012 Streets & Road Improvement	485,433.29	452,713.00	107.2%
5022 Parks and Rec Improvements	18,360.00	125,000.00	14.7%
5024 Public Safety Improvements	170,303.28	400,000.00	42.6%
5026 Fleet Purchase/Replacement	102,672.84	105,000.00	97.8%
5028 Turbeville/Point Vista	1,084,920.62	200,000.00	542.5%
<b>Total Capital Outlay</b>	<b>1,871,245.76</b>	<b>1,332,713.00</b>	<b>140.4%</b>
<b>Debt Service</b>			
5106 2012 Refunding Bond Series	10,028.19	150,086.00	6.7%
5108 2012 Tax Note Series	943.89	116,910.00	0.8%
5110 2015 Refunding Bond Series	59,650.00	314,300.00	19.0%
5112 2015 C.O. Series	61,900.00	273,800.00	22.6%
<b>Total Debt Service</b>	<b>132,522.08</b>	<b>855,096.00</b>	<b>15.5%</b>
<b>General Government</b>			
5202 Bank Service Charges	47.00	50.00	94.0%
5204 Books & Subscriptions	0.00	400.00	0.0%
5206 Computer Hardware/Software	9,531.94	15,500.00	61.5%
5208 Copier Rental	3,004.40	3,900.00	77.0%
5210 Dues & Memberships	1,940.90	2,500.00	77.6%

9:32 AM

06/12/19

Accrual Basis

Town of Hickory Creek  
**Budget vs. Actual Year to Date 66.67%**  
 October 2018 through May 2019

	Oct '18 - May 19	Budget	% of Budget
5212 EDC Tax Payment	289,009.54	381,250.00	75.8%
5214 Election Expenses	0.00	0.00	0.0%
5216 Volunteer/Staff Events	5,714.00	8,000.00	71.4%
5218 General Communications	9,020.70	22,000.00	41.0%
5222 Office Supplies & Equip.	1,853.57	2,000.00	92.7%
5224 Postage	3,033.83	4,500.00	67.4%
5226 Community Cause	3,144.09	4,000.00	78.6%
5228 Town Council/Board Expense	4,302.87	6,000.00	71.7%
5230 Training & Education	774.50	2,000.00	38.7%
5232 Travel Expense	428.35	1,500.00	28.6%
5234 Staff Uniforms	762.94	1,000.00	76.3%
<b>Total General Government</b>	<b>332,568.63</b>	<b>454,600.00</b>	<b>73.2%</b>
<b>Municipal Court</b>			
5302 Books & Subscriptions	0.00	75.00	0.0%
5304 Building Security	1,431.00	31,800.00	4.5%
5312 Court Technology	4,263.37	14,550.00	29.3%
5314 Dues & Memberships	75.00	200.00	37.5%
5318 Merchant Fees/Credit Cards	-208.87	500.00	-41.8%
5322 Office Supplies/Equipment	1,297.10	1,800.00	72.1%
5324 State Court Costs	170,202.06	199,500.00	85.3%
5326 Training & Education	400.00	500.00	80.0%
5328 Travel Expense	89.41	500.00	17.9%
5332 Warrants Collected	-285.37	0.00	100.0%
<b>Total Municipal Court</b>	<b>177,263.70</b>	<b>249,425.00</b>	<b>71.1%</b>
<b>Parks and Recreation</b>			
5402 Events	1,208.80	2,500.00	48.4%
5408 Tanglewood Park	1,299.58	2,500.00	52.0%
5412 KHCB	592.63	1,000.00	59.3%
5414 Tree City USA	4,441.75	11,500.00	38.6%
5416 Town Hall Park	0.00	500.00	0.0%
<b>Total Parks and Recreation</b>	<b>7,542.76</b>	<b>18,000.00</b>	<b>41.9%</b>
<b>Parks Corps of Engineer</b>			
5432 Arrowhead	10,407.36	8,500.00	122.4%
5434 Harbor Grove	2,456.11	4,000.00	61.4%
5436 Point Vista	2,741.79	4,500.00	60.9%
5438 Sycamore Bend	13,873.33	35,000.00	39.6%
<b>Total Parks Corps of Engineer</b>	<b>29,478.59</b>	<b>52,000.00</b>	<b>56.7%</b>
<b>Personnel</b>			
5502 Administration Wages	196,180.36	281,875.00	69.6%
5504 Municipal Court Wages	92,412.90	114,565.00	80.7%
5506 Police Wages	422,990.86	674,215.00	62.7%
5507 Police Overtime Wages	9,700.58	8,000.00	121.3%
5508 Public Works Wages	124,719.06	174,985.00	71.3%
5509 Public Works Overtime Wage	990.56	1,600.00	61.9%
5510 Health Insurance	104,860.49	170,000.00	61.7%
5512 Longevity	10,688.00	10,688.00	100.0%
5514 Payroll Expense	15,034.10	18,000.00	83.5%
5516 Employment Exams	1,890.00	2,000.00	94.5%
5518 Retirement (TMRS)	112,814.60	138,100.00	81.7%
5520 Unemployment (TWC)	599.57	2,000.00	30.0%
5522 Workman's Compensation	25,353.58	25,354.00	100.0%
<b>Total Personnel</b>	<b>1,118,234.66</b>	<b>1,621,382.00</b>	<b>69.0%</b>

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06/12/19

Accrual Basis

Town of Hickory Creek  
**Budget vs. Actual Year to Date 66.67%**  
 October 2018 through May 2019

	Oct '18 - May 19	Budget	% of Budget
<b>Police Department</b>			
5602 Auto Gas & Oil	15,886.10	25,000.00	63.5%
5606 Auto Maintenance & Repair	25,171.86	25,000.00	100.7%
5610 Books & Subscriptions	146.91	500.00	29.4%
5612 Computer Hardware/Software	38,621.15	38,000.00	101.6%
5614 Crime Lab Analysis	-640.19	2,000.00	-32.0%
5616 Drug Forfeiture	0.00	0.00	0.0%
5618 Dues & Memberships	233.82	400.00	58.5%
5626 Office Supplies/Equipment	641.50	1,500.00	42.8%
5630 Personnel Equipment	3,884.88	7,000.00	55.5%
5634 Travel Expense	1,369.23	2,500.00	54.8%
5636 Uniforms	7,685.10	6,000.00	128.1%
5640 Training & Education	6,751.10	10,000.00	67.5%
5644 Citizens on Patrol	405.60	200.00	202.8%
5646 Community Outreach	490.79	750.00	65.4%
5648 K9 Unit	2,081.43	3,000.00	69.4%
<b>Total Police Department</b>	<b>102,729.28</b>	<b>121,850.00</b>	<b>84.3%</b>
<b>Public Works Department</b>			
5702 Animal Control Donation	0.00	1,000.00	0.0%
5704 Animal Control Equipment	589.83	600.00	98.3%
5706 Animal Control Supplies	754.64	1,000.00	75.5%
5708 Animal Control Vet Fees	3,934.40	5,000.00	78.7%
5710 Auto Gas & Oil	9,717.39	12,500.00	77.7%
5714 Auto Maintenance/Repair	17,060.27	15,000.00	113.7%
5716 Beautification	9,562.08	110,000.00	8.7%
5718 Computer Hardware/Software	595.00	750.00	79.3%
5720 Dues & Memberships	342.00	350.00	97.7%
5722 Equipment	89,929.83	93,700.00	96.0%
5724 Equipment Maintenance	7,312.99	9,000.00	81.3%
5726 Equipment Rental	234.38	500.00	46.9%
5728 Equipment Supplies	4,530.93	6,500.00	69.7%
5732 Office Supplies/Equipment	294.51	800.00	36.8%
5734 Radios	3,092.16	3,200.00	96.6%
5738 Training	339.00	800.00	42.4%
5740 Travel Expense	225.10	1,000.00	22.5%
5742 Uniforms	1,703.09	2,000.00	85.2%
5748 Landscaping Services	46,439.39	110,000.00	42.2%
<b>Total Public Works Department</b>	<b>196,656.99</b>	<b>373,700.00</b>	<b>52.6%</b>
<b>Services</b>			
5802 Appraisal District	5,852.00	11,700.00	50.0%
5804 Attorney Fees	36,947.23	60,000.00	61.6%
5806 Audit	13,500.00	13,500.00	100.0%
5808 Codification	375.00	4,000.00	9.4%
5812 Document Management	906.74	1,200.00	75.6%
5814 Engineering	40,502.18	52,500.00	77.1%
5816 General Insurance	33,732.58	33,733.00	100.0%
5818 Inspections	33,731.00	40,500.00	83.3%
5820 Fire Service	460,224.75	615,000.00	74.8%
5822 Legal Notices/Advertising	1,434.00	2,000.00	71.7%
5824 Library Services	873.75	1,000.00	87.4%
5826 Municipal Judge	8,640.00	11,520.00	75.0%
5828 Printing	1,242.50	1,800.00	69.0%
5830 Tax Collection	2,273.00	3,500.00	64.9%
5832 Computer Technical Support	34,351.79	34,500.00	99.6%
5838 DCCAC	0.00	1,750.00	0.0%
5840 Denton County Dispatch	29,301.00	29,301.00	100.0%

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Accrual Basis

Town of Hickory Creek  
**Budget vs. Actual Year to Date 66.67%**  
 October 2018 through May 2019

	Oct '18 - May 19	Budget	% of Budget
5844 Helping Hands	91.15	300.00	30.4%
5848 DCFOF	0.00	500.00	0.0%
<b>Total Services</b>	<b>703,978.67</b>	<b>918,304.00</b>	<b>76.7%</b>
<b>Special Events</b>			
6004 Fourth of July Celebration	0.00	5,000.00	0.0%
6008 Tree Lighting	5,219.38	5,220.00	100.0%
<b>Total Special Events</b>	<b>5,219.38</b>	<b>10,220.00</b>	<b>51.1%</b>
<b>Utilities &amp; Maintenance</b>			
5902 Bldg Maintenance/Supplies	61,774.38	85,000.00	72.7%
5904 Electric	18,778.91	28,000.00	67.1%
5906 Gas	1,504.49	2,000.00	75.2%
5908 Street Lighting	22,950.62	30,000.00	76.5%
5910 Telephone	21,279.33	22,800.00	93.3%
5912 Water	8,476.05	15,000.00	56.5%
<b>Total Utilities &amp; Maintenance</b>	<b>134,763.78</b>	<b>182,800.00</b>	<b>73.7%</b>
<b>Total Expense</b>	<b>4,812,204.28</b>	<b>6,190,090.00</b>	<b>77.7%</b>
<b>Net Ordinary Income</b>	<b>-747,976.50</b>	<b>0.00</b>	<b>100.0%</b>
<b>Net Income</b>	<b>-747,976.50</b>	<b>0.00</b>	<b>100.0%</b>

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Accrual Basis

**Town of Hickory Creek**  
**Expenditures over \$1,000.00**  
May 2019

Type	Date	Num	Name	Amount
<b>Ordinary Income/Expense</b>				
<b>Expense</b>				
<b>Capital Outlay</b>				
<b>5022 Parks and Rec Improvements</b>				
Bill	05/30/2019	Invoi...	Dunaway	5,400.00
Total 5022 Parks and Rec Improvements				5,400.00
<b>5028 Turbeville/Point Vista</b>				
Deposit	05/14/2019		Deposit	-133,055.96
Bill	05/21/2019	Invoi...	Halff Associates, Inc.	2,627.50
Bill	05/20/2019	Invoi...	CMJ Engineering, Inc.	5,778.26
Bill	05/20/2019	Invoi...	CMJ Engineering, Inc.	6,835.38
Check	05/08/2019	3791	GRod Construction, LLC.	216,399.55
Check	05/08/2019	3792	McMahon Contracting L.P.	388,720.98
Check	05/13/2019	3796	McMahon Contracting L.P.	508,768.23
Total 5028 Turbeville/Point Vista				996,073.94
Total Capital Outlay				1,001,473.94
<b>General Government</b>				
<b>5212 EDC Tax Payment</b>				
Check	05/13/2019	3797	Hickory Creek Economic Development	39,421.60
Total 5212 EDC Tax Payment				39,421.60
Total General Government				39,421.60
<b>Municipal Court</b>				
<b>5312 Court Technology</b>				
Bill	05/30/2019	Invoi...	Tyler Technologies	2,348.73
Total 5312 Court Technology				2,348.73
<b>5332 Warrants Collected</b>				
Bill	05/08/2019	Invoi...	McCreary, Veselka, Bragg and Allen, P.C.	1,308.61
Bill	05/08/2019	Invoi...	McCreary, Veselka, Bragg and Allen, P.C.	3,095.48
Total 5332 Warrants Collected				4,404.09
Total Municipal Court				6,752.82
<b>Police Department</b>				
<b>5602 Auto Gas &amp; Oil</b>				
Check	05/29/2019	Debit	WEX INC DESFLEET DEBI	2,503.06
Total 5602 Auto Gas & Oil				2,503.06
<b>5606 Auto Maintenance &amp; Repair</b>				
Bill	05/13/2019	R.O....	Christian Brothers Automotive	1,447.09
Total 5606 Auto Maintenance & Repair				1,447.09
<b>5612 Computer Hardware/Software</b>				
Bill	05/07/2019	Invoi...	Staples Advantage	1,148.93
Bill	05/07/2019	Invoi...	WatchGuard Video	3,982.50

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Accrual Basis

Town of Hickory Creek  
**Expenditures over \$1,000.00**  
May 2019

Type	Date	Num	Name	Amount
Check	05/23/2019	3803	Denton County	13,316.76
	Total 5612 Computer Hardware/Software			18,448.19
	<b>5648 K9 Unit</b>			
Bill	05/13/2019	Invoi...	True Canine International	1,040.00
	Total 5648 K9 Unit			1,040.00
	Total Police Department			23,438.34
	<b>Public Works Department</b>			
	<b>5710 Auto Gas &amp; Oil</b>			
Check	05/29/2019	Debit	WEX INC DESFLEET DEBI	1,159.70
	Total 5710 Auto Gas & Oil			1,159.70
	<b>5748 Landscaping Services</b>			
Bill	05/02/2019	Invoi...	D & D Commercial Landscape Management	8,773.80
	Total 5748 Landscaping Services			8,773.80
	Total Public Works Department			9,933.50
	<b>Services</b>			
	<b>5804 Attorney Fees</b>			
Bill	05/07/2019	Acct...	Hayes, Berry, White & Vanzant	3,809.70
	Total 5804 Attorney Fees			3,809.70
	<b>5814 Engineering</b>			
Bill	05/30/2019	Invoi...	Halff Associates, Inc.	1,093.33
Bill	05/30/2019	Invoi...	Halff Associates, Inc.	1,496.51
	Total 5814 Engineering			2,589.84
	<b>5818 Inspections</b>			
Bill	05/13/2019	Invoi...	Vaughn Inspections Plus, LLC	4,272.00
	Total 5818 Inspections			4,272.00
	<b>5840 Denton County Dispatch</b>			
Check	05/23/2019	3804	Denton County	29,301.00
	Total 5840 Denton County Dispatch			29,301.00
	Total Services			39,972.54
	<b>Utilities &amp; Maintenance</b>			
	<b>5902 Bldg Maintenance/Supplies</b>			
Bill	05/30/2019	Invoi...	Golden Triangle Fire	1,100.00
Check	05/09/2019	3793	Kenny Page Plumbin'	1,250.00
	Total 5902 Bldg Maintenance/Supplies			2,350.00
	<b>5904 Electric</b>			
Check	05/22/2019	Debit	HUDSON ENERGY SE DESDEBITDEBIT	2,426.74



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Accrual Basis

Town of Hickory Creek  
Expenditures over \$1,000.00  
May 2019

Type	Date	Num	Name	Amount
			Total 5904 Electric	2,426.74
			<b>5908 Street Lighting</b>	
Check	05/22/2019	Debit	HUDSON ENERGY SE DESDEBITDEBIT	2,747.98
			Total 5908 Street Lighting	2,747.98
			Total Utilities & Maintenance	7,524.72
			Total Expense	1,128,517.46
			Net Ordinary Income	-1,128,517.46
			<b>Net Income</b>	<b>-1,128,517.46</b>



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: 05/01/2019 - 05/31/2019

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 2.5410%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 55 DAYS AND THE NET ASSET VALUE FOR 5/31/19 WAS 1.000010.

### MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			9,363.72
05/31/2019	MONTHLY POSTING	9999888	20.23	9,383.95
	ENDING BALANCE			9,383.95

### MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	9,363.72
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	20.23
ENDING BALANCE	9,383.95
AVERAGE BALANCE	9,363.72

### ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
ANIMAL SHELTER FACILITY	0.00	0.00	99.68





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: 05/01/2019 - 05/31/2019

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 2.5410%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 55 DAYS AND THE NET ASSET VALUE FOR 5/31/19 WAS 1.000010.

### MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			3,264.83
05/31/2019	MONTHLY POSTING	9999888	7.09	3,271.92
	ENDING BALANCE			3,271.92

### MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	3,264.83
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	7.09
ENDING BALANCE	3,271.92
AVERAGE BALANCE	3,264.83

### ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
HARBOR LANE - SYCAMORE BEND	0.00	0.00	34.74





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: 05/01/2019 - 05/31/2019

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 2.5410%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 55 DAYS AND THE NET ASSET VALUE FOR 5/31/19 WAS 1.000010.

### MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			4,477,188.90
05/01/2019	ACH WITHDRAWAL	6104822	50,000.00 -	4,427,188.90
05/09/2019	ACH WITHDRAWAL	6105101	605,120.53 -	3,822,068.37
05/14/2019	ACH WITHDRAWAL	6105226	509,000.00 -	3,313,068.37
05/21/2019	ACH DEPOSIT	6105471	200,000.00	3,513,068.37
05/29/2019	ACH WITHDRAWAL	6105691	75,000.00 -	3,438,068.37
05/31/2019	MONTHLY POSTING	9999888	8,089.19	3,446,157.56
	ENDING BALANCE			3,446,157.56

### MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	4,477,188.90
TOTAL DEPOSITS	200,000.00
TOTAL WITHDRAWALS	1,239,120.53
TOTAL INTEREST	8,089.19
ENDING BALANCE	3,446,157.56
AVERAGE BALANCE	3,746,389.80

### ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
INVESTMENT FUND	1,100,000.00	1,660,670.53	45,620.06







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:** 05/01/2019 - 05/31/2019

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 2.5410%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 55 DAYS AND THE NET ASSET VALUE FOR 5/31/19 WAS 1.000010.

### MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			558,356.31
05/31/2019	MONTHLY POSTING	9999888	1,204.96	559,561.27
	ENDING BALANCE			559,561.27

### MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	558,356.31
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	1,204.96
ENDING BALANCE	559,561.27
AVERAGE BALANCE	558,356.31

### ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
RESIDENTIAL STREET & RD IMPROV	0.00	0.00	5,947.00





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: 05/01/2019 - 05/31/2019

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 2.5410%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 55 DAYS AND THE NET ASSET VALUE FOR 5/31/19 WAS 1.000010.

### MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			210,053.75
05/31/2019	MONTHLY POSTING	9999888	453.32	210,507.07
	ENDING BALANCE			210,507.07

### MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	210,053.75
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	453.32
ENDING BALANCE	210,507.07
AVERAGE BALANCE	210,053.75

### ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
TURBEVILLE RD IMPROVEMENT FUND	0.00	0.00	2,237.27



**Item Attachment Documents:**

4. Consider and act on a resolution of the Town of Hickory Creek approving the 2019 annual update to the service and assessment plan and assessment roll for Hickory Creek Public Improvement District No.1 including the collection of the 2019 annual installments.

**TOWN OF HICKORY CREEK  
RESOLUTION NO. 2019-0618-\_\_**

**A RESOLUTION OF THE TOWN OF HICKORY CREEK APPROVING THE 2019 ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 1 INCLUDING THE COLLECTION OF THE 2019 ANNUAL INSTALLMENTS**

WHEREAS, the Town of Hickory Creek (the “Town”) has created the Hickory Creek Public Improvement District No. 1 (the “PID”) in accordance with the requirements of Section 372.005 of the Public Improvement District Assessment Act (the “Act”); and

WHEREAS, August 12 2017, the Town Council approved and accepted the Service and Assessment Plan in conformity with the requirements of the Act and adopted the assessment ordinance, which assessment ordinance approved the assessment roll and levied the assessments on property within the PID; and

WHEREAS, pursuant to Section 371.013 of the Act, 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 2019 (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 2018 Annual Service Plan Update attached hereto as *Exhibit A*.

Section 3. Approval of Update. The 2019 Annual Service Plan Update for the PID for 2019 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.

**PASSED, APPROVED AND EFFECTIVE this 18<sup>th</sup> day of June, 2019.**

---

Lynn C. Clark, Mayor  
Town of Hickory Creek, Texas

ATTEST:

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Kristi Rogers, Town Secretary  
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

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Dorwin L. Sargent, III, Town Attorney  
Town of Hickory Creek, Texas

**EXHIBIT A**

**Service and Assessment Plan**



HICKORY CREEK  
PUBLIC IMPROVEMENT DISTRICT NO. 1  
2019 ANNUAL SERVICE AND ASSESSMENT PLAN UPDATE

JUNE 17, 2019

## INTRODUCTION

Capitalized terms used in this Service and Assessment Plan Update shall have the meanings set forth in the 2017 Service and Assessment Plan Update (the “2017 SAP”) used for the issuance of PID 1 Bonds or the Development Agreement, as applicable.

PID 1 was created pursuant to the Act by Resolution No. 2012-0327-1 on March 27, 2012 by the Town Council to finance certain Authorized Improvements for the benefit of the property in PID 1.

On August 15, 2017, the Town Council approved the 2017 SAP for PID 1 by adopting an Ordinance which issued PID 1 Bonds for Assessed Property within PID 1 and reflected the revised Assessment Roll.

On August 21, 2018, the Town Council approved the Service and Assessment Plan Update for PID 1 (the “2018 SAP”) by adopting Resolution No. 2018-0821-1 which reflected the revised Assessment Roll.

The 2017 SAP identifies the Authorized Improvements to be provided by PID 1, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in PID 1 for the costs of the Authorized Improvements. Pursuant to the Act, the SAP must be reviewed and updated annually. This document is the annual Service and Assessment Plan Update for 2019.

The Town Council also adopted an Assessment Roll identifying the Assessments on each Lot within PID 1, based on the method of assessment identified in the 2017 SAP. This Service and Assessment Plan Update also updates the Assessment Roll for 2019.

## **LISTED EVENTS**

There have not been any listed events in PID 1.

## **STATUS OF AUTHORIZED IMPROVEMENTS**

The Authorized Improvements are fully constructed and were dedicated to the Town and paid for in full. The Authorized Improvement Costs have been reimbursed to the Developer solely from PID 1 Bonds.

## **PARCEL SUBDIVISION**

PID 1 has been fully subdivided into 151 Lots. No further parcel subdivisions are expected.

## **LOT AND HOME SALES**

PID 1 Property consists of 151 Lots, of which 151 have completed homes. All homes have been sold to end users.

See **Exhibit B** for the Homebuyer Disclosure.

## **OUTSTANDING ASSESSMENT**

PID 1 has an outstanding Assessment of \$3,975,000.00<sup>1</sup>.

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<sup>1</sup> Net of \$85,000 principal payment due September 1, 2019 which will be paid using Annual Installments collected on January 31, 2019.

## ANNUAL INSTALLMENT DUE 1/31/2020

- **Principal and Interest** – The total principal and interest required for the Annual Installment due is \$235,550.00.
- **Administrative Expenses** – The cost of administering PID 1 and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Administrative Expenses budgeted for the Annual Installment is \$16,870.00.

Due January 31, 2020	
Principal	\$ 85,000.00
Interest	\$ 150,550.00
Administrative Expenses	\$ 16,870.00
<b>Total Installment</b>	<b>\$ 252,420.00</b>

See **Exhibit C** for the debt service schedule for the PID 1 Bonds.

## PREPAYMENT OF ASSESSMENTS IN FULL

No full prepayments have occurred in PID 1.

## PARTIAL PREPAYMENTS OF ASSESSMENTS

No partial prepayments have occurred in PID 1.

## BOND FUND

P3Works has reviewed the following bond accounts related to the Public Improvement District No. 1 as of April 30, 2019, and each account contains the amount shown below:

Bond Account:	4/30/2019 Balance
<b>Bond Pledged Revenue Fund</b>	
Bond Pledged Revenue Account	\$197,481.65
<b>Bond Fund</b>	
Principal and Interest Account	\$14.66
<b>Reserve Fund</b>	
Reserve Account	\$122,286.85
Delinquency and Prepayment Reserve Account	\$127,476.50
<b>Redemption Fund</b>	\$0.00
<b>Rebate Fund</b>	\$0.00
<b>Administrative Fund</b>	\$7,257.09

## SERVICE PLAN - FIVE YEAR BUDGET FORECAST

The Act requires the annual indebtedness and projected costs for the Authorized Improvements to be reviewed and updated in the Annual Service and Assessment Plan Update, and the projection shall cover a period of not less than five years. The projection in the table below shows the Annual Installments for PID 1.

		Annual Installments				
Installments Due		1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024
Principal		\$ 85,000.00	\$ 90,000.00	\$ 90,000.00	\$ 95,000.00	\$ 95,000.00
Interest		\$ 150,550.00	\$ 148,000.00	\$ 145,300.00	\$ 142,600.00	\$ 139,750.00
Total Debt Service	(1)	\$ 235,550.00	\$ 238,000.00	\$ 235,300.00	\$ 237,600.00	\$ 234,750.00
Administrative Expenses	(2)	\$ 16,870.00	\$ 17,207.40	\$ 17,551.55	\$ 17,902.58	\$ 18,260.63
<b>Total Annual Installment</b>	<b>(3) = (1) + (2)</b>	<b>\$ 252,420.00</b>	<b>\$ 255,207.40</b>	<b>\$ 252,851.55</b>	<b>\$ 255,502.58</b>	<b>\$ 253,010.63</b>

## ASSESSMENT ROLL

The list of current Lots within PID 1, the corresponding total Assessments, and current Annual Installment are shown on the Assessment Roll attached hereto as **Exhibit A**. The Parcels shown on the Assessment Roll will receive the bills for the 2019 Annual Installments which will be delinquent if not paid by January 31, 2020.

## EXHIBIT A – ASSESSMENT ROLL

Parcel ID	Lot Type	Outstanding Assessment <sup>1</sup>	Installment Due 1/31/2020
564966	Residential Lot	\$ 26,324.50	\$ 1,671.66
564967	Residential Lot	\$ 26,324.50	\$ 1,671.66
564968	Residential Lot	\$ 26,324.50	\$ 1,671.66
564969	Residential Lot	\$ 26,324.50	\$ 1,671.66
564970	Residential Lot	\$ 26,324.50	\$ 1,671.66
564971	Residential Lot	\$ 26,324.50	\$ 1,671.66
564972	Residential Lot	\$ 26,324.50	\$ 1,671.66
564973	Residential Lot	\$ 26,324.50	\$ 1,671.66
564974	Residential Lot	\$ 26,324.50	\$ 1,671.66
564975	Residential Lot	\$ 26,324.50	\$ 1,671.66
564976	Residential Lot	\$ 26,324.50	\$ 1,671.66
564977	Residential Lot	\$ 26,324.50	\$ 1,671.66
564978	Residential Lot	\$ 26,324.50	\$ 1,671.66
564979	Residential Lot	\$ 26,324.50	\$ 1,671.66
564980	Residential Lot	\$ 26,324.50	\$ 1,671.66
564981	Residential Lot	\$ 26,324.50	\$ 1,671.66
564982	Residential Lot	\$ 26,324.50	\$ 1,671.66
564983	Residential Lot	\$ 26,324.50	\$ 1,671.66
564984	Residential Lot	\$ 26,324.50	\$ 1,671.66
564985	Residential Lot	\$ 26,324.50	\$ 1,671.66
564986	Residential Lot	\$ 26,324.50	\$ 1,671.66
564987	Residential Lot	\$ 26,324.50	\$ 1,671.66
564988	Residential Lot	\$ 26,324.50	\$ 1,671.66
564989	Residential Lot	\$ 26,324.50	\$ 1,671.66
564990	Residential Lot	\$ 26,324.50	\$ 1,671.66
564991	Residential Lot	\$ 26,324.50	\$ 1,671.66
564992	Residential Lot	\$ 26,324.50	\$ 1,671.66
564993	Non-Benefitted Property	\$ -	\$ -
564994	Non-Benefitted Property	\$ -	\$ -
564995	Residential Lot	\$ 26,324.50	\$ 1,671.66
564996	Residential Lot	\$ 26,324.50	\$ 1,671.66
564997	Non-Benefitted Property	\$ -	\$ -
564999	Residential Lot	\$ 26,324.50	\$ 1,671.66
565000	Residential Lot	\$ 26,324.50	\$ 1,671.66
565001	Residential Lot	\$ 26,324.50	\$ 1,671.66
565002	Residential Lot	\$ 26,324.50	\$ 1,671.66
565003	Residential Lot	\$ 26,324.50	\$ 1,671.66
565004	Residential Lot	\$ 26,324.50	\$ 1,671.66
565005	Residential Lot	\$ 26,324.50	\$ 1,671.66
565006	Residential Lot	\$ 26,324.50	\$ 1,671.66

<sup>1</sup> Net of \$85,000 principal payment due September 1, 2019 which will be paid using Annual Installments collected on January 31, 2019.



Parcel ID	Lot Type	Outstanding Assessment <sup>1</sup>	Installment Due 1/31/2020
565007	Non-Benefitted Property	\$ -	\$ -
565008	Residential Lot	\$ 26,324.50	\$ 1,671.66
565009	Residential Lot	\$ 26,324.50	\$ 1,671.66
565010	Residential Lot	\$ 26,324.50	\$ 1,671.66
565011	Residential Lot	\$ 26,324.50	\$ 1,671.66
565012	Residential Lot	\$ 26,324.50	\$ 1,671.66
565013	Residential Lot	\$ 26,324.50	\$ 1,671.66
565014	Residential Lot	\$ 26,324.50	\$ 1,671.66
565015	Residential Lot	\$ 26,324.50	\$ 1,671.66
565016	Residential Lot	\$ 26,324.50	\$ 1,671.66
565017	Residential Lot	\$ 26,324.50	\$ 1,671.66
565018	Residential Lot	\$ 26,324.50	\$ 1,671.66
565019	Residential Lot	\$ 26,324.50	\$ 1,671.66
565020	Residential Lot	\$ 26,324.50	\$ 1,671.66
565021	Residential Lot	\$ 26,324.50	\$ 1,671.66
565022	Residential Lot	\$ 26,324.50	\$ 1,671.66
565023	Residential Lot	\$ 26,324.50	\$ 1,671.66
565024	Residential Lot	\$ 26,324.50	\$ 1,671.66
565025	Residential Lot	\$ 26,324.50	\$ 1,671.66
565026	Residential Lot	\$ 26,324.50	\$ 1,671.66
565027	Residential Lot	\$ 26,324.50	\$ 1,671.66
565028	Residential Lot	\$ 26,324.50	\$ 1,671.66
565029	Residential Lot	\$ 26,324.50	\$ 1,671.66
565030	Residential Lot	\$ 26,324.50	\$ 1,671.66
565031	Residential Lot	\$ 26,324.50	\$ 1,671.66
565032	Residential Lot	\$ 26,324.50	\$ 1,671.66
565033	Residential Lot	\$ 26,324.50	\$ 1,671.66
565034	Residential Lot	\$ 26,324.50	\$ 1,671.66
565035	Residential Lot	\$ 26,324.50	\$ 1,671.66
565036	Residential Lot	\$ 26,324.50	\$ 1,671.66
565037	Residential Lot	\$ 26,324.50	\$ 1,671.66
565038	Residential Lot	\$ 26,324.50	\$ 1,671.66
565039	Residential Lot	\$ 26,324.50	\$ 1,671.66
565040	Residential Lot	\$ 26,324.50	\$ 1,671.66
565041	Residential Lot	\$ 26,324.50	\$ 1,671.66
565042	Residential Lot	\$ 26,324.50	\$ 1,671.66
565043	Residential Lot	\$ 26,324.50	\$ 1,671.66
565044	Non-Benefitted Property	\$ -	\$ -
565045	Non-Benefitted Property	\$ -	\$ -
565046	Non-Benefitted Property	\$ -	\$ -

<sup>1</sup> Net of \$85,000 principal payment due September 1, 2019 which will be paid using Annual Installments collected on January 31, 2019.

Parcel ID	Lot Type	Outstanding Assessment <sup>1</sup>		Installment Due 1/31/2020	
565047	Residential Lot	\$	26,324.50	\$	1,671.66
565048	Residential Lot	\$	26,324.50	\$	1,671.66
565049	Residential Lot	\$	26,324.50	\$	1,671.66
565050	Residential Lot	\$	26,324.50	\$	1,671.66
565051	Residential Lot	\$	26,324.50	\$	1,671.66
565052	Residential Lot	\$	26,324.50	\$	1,671.66
565053	Residential Lot	\$	26,324.50	\$	1,671.66
565054	Residential Lot	\$	26,324.50	\$	1,671.66
565055	Residential Lot	\$	26,324.50	\$	1,671.66
565056	Residential Lot	\$	26,324.50	\$	1,671.66
565057	Residential Lot	\$	26,324.50	\$	1,671.66
565058	Residential Lot	\$	26,324.50	\$	1,671.66
565059	Residential Lot	\$	26,324.50	\$	1,671.66
565060	Residential Lot	\$	26,324.50	\$	1,671.66
565061	Residential Lot	\$	26,324.50	\$	1,671.66
565062	Residential Lot	\$	26,324.50	\$	1,671.66
565063	Non-Benefitted Property	\$	-	\$	-
654134	Residential Lot	\$	26,324.50	\$	1,671.66
654135	Residential Lot	\$	26,324.50	\$	1,671.66
654136	Residential Lot	\$	26,324.50	\$	1,671.66
654137	Residential Lot	\$	26,324.50	\$	1,671.66
654138	Residential Lot	\$	26,324.50	\$	1,671.66
654139	Residential Lot	\$	26,324.50	\$	1,671.66
654140	Residential Lot	\$	26,324.50	\$	1,671.66
654141	Residential Lot	\$	26,324.50	\$	1,671.66
654142	Residential Lot	\$	26,324.50	\$	1,671.66
654143	Residential Lot	\$	26,324.50	\$	1,671.66
654144	Residential Lot	\$	26,324.50	\$	1,671.66
654145	Residential Lot	\$	26,324.50	\$	1,671.66
654146	Residential Lot	\$	26,324.50	\$	1,671.66
654147	Residential Lot	\$	26,324.50	\$	1,671.66
654148	Residential Lot	\$	26,324.50	\$	1,671.66
654149	Residential Lot	\$	26,324.50	\$	1,671.66
654150	Residential Lot	\$	26,324.50	\$	1,671.66
654151	Residential Lot	\$	26,324.50	\$	1,671.66
654152	Residential Lot	\$	26,324.50	\$	1,671.66
654153	Residential Lot	\$	26,324.50	\$	1,671.66
654154	Residential Lot	\$	26,324.50	\$	1,671.66
654155	Residential Lot	\$	26,324.50	\$	1,671.66
654156	Residential Lot	\$	26,324.50	\$	1,671.66

<sup>1</sup> Net of \$85,000 principal payment due September 1, 2019 which will be paid using Annual Installments collected on January 31, 2019.

Parcel ID	Lot Type	Outstanding Assessment <sup>1</sup>		Installment Due 1/31/2020	
654157	Residential Lot	\$	26,324.50	\$	1,671.66
654158	Residential Lot	\$	26,324.50	\$	1,671.66
654159	Residential Lot	\$	26,324.50	\$	1,671.66
654160	Residential Lot	\$	26,324.50	\$	1,671.66
654161	Residential Lot	\$	26,324.50	\$	1,671.66
654162	Residential Lot	\$	26,324.50	\$	1,671.66
654163	Residential Lot	\$	26,324.50	\$	1,671.66
654164	Residential Lot	\$	26,324.50	\$	1,671.66
654165	Residential Lot	\$	26,324.50	\$	1,671.66
654166	Residential Lot	\$	26,324.50	\$	1,671.66
654167	Residential Lot	\$	26,324.50	\$	1,671.66
654168	Residential Lot	\$	26,324.50	\$	1,671.66
654169	Residential Lot	\$	26,324.50	\$	1,671.66
654170	Residential Lot	\$	26,324.50	\$	1,671.66
654171	Residential Lot	\$	26,324.50	\$	1,671.66
654172	Residential Lot	\$	26,324.50	\$	1,671.66
654173	Residential Lot	\$	26,324.50	\$	1,671.66
654174	Residential Lot	\$	26,324.50	\$	1,671.66
654175	Residential Lot	\$	26,324.50	\$	1,671.66
654176	Residential Lot	\$	26,324.50	\$	1,671.66
654177	Residential Lot	\$	26,324.50	\$	1,671.66
654178	Non-Benefitted Property	\$	-	\$	-
654179	Residential Lot	\$	26,324.50	\$	1,671.66
654180	Residential Lot	\$	26,324.50	\$	1,671.66
654181	Residential Lot	\$	26,324.50	\$	1,671.66
654182	Residential Lot	\$	26,324.50	\$	1,671.66
654183	Residential Lot	\$	26,324.50	\$	1,671.66
654184	Residential Lot	\$	26,324.50	\$	1,671.66
654185	Residential Lot	\$	26,324.50	\$	1,671.66
654186	Residential Lot	\$	26,324.50	\$	1,671.66
654187	Residential Lot	\$	26,324.50	\$	1,671.66
654188	Residential Lot	\$	26,324.50	\$	1,671.66
654189	Residential Lot	\$	26,324.50	\$	1,671.66
654190	Residential Lot	\$	26,324.50	\$	1,671.66
654191	Residential Lot	\$	26,324.50	\$	1,671.66
654192	Residential Lot	\$	26,324.50	\$	1,671.66
654193	Residential Lot	\$	26,324.50	\$	1,671.66
654194	Residential Lot	\$	26,324.50	\$	1,671.66
654195	Residential Lot	\$	26,324.50	\$	1,671.66
654196	Residential Lot	\$	26,324.50	\$	1,671.66
<b>Total</b>		\$	<b>3,975,000.00</b>	\$	<b>252,420.00</b>

<sup>1</sup> Net of \$85,000 principal payment due September 1, 2019 which will be paid using Annual Installments collected on January 31, 2019.

## EXHIBIT B - HOMEBUYER DISCLOSURE

### NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS TO THE TOWN OF HICKORY CREEK, TEXAS

#### CONCERNING THE PROPERTY AT:

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STREET ADDRESS  
ASSESSMENT: \$26,324.50

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the Town of Hickory Creek, Texas, for the costs of a portion of public improvements (the ***“Authorized Improvements”***) undertaken for the benefit of the property within ***“Town of Hickory Creek, Texas Public Improvement District No. 1”*** (the ***“District”***) created under Subchapter A, Chapter 372, Local Government Code, as amended.

**THE PRINCIPAL OF THE ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$26,324.50, WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, ADMINISTRATIVE EXPENSES, AND DELINQUENCY COSTS.**

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change**. The exact amount of the annual installments, including the annual installments thereof, will be approved each year by the Town Council in the Annual Service and Assessment Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the Town Secretary of Hickory Creek.

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

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this \_\_\_\_\_, 20\_\_.

**PURCHASER:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS §

§

COUNTY OF DENTON §

The foregoing instrument was acknowledged before me by \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

STATE OF TEXAS

\_\_\_\_\_  
Notary Public, State of Texas

§

§

COUNTY OF DENTON

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

### Hickory Creek PID No. 1 - Annual Installments Per Unit

Installments Due	Principal	Interest	Administrative Expenses	Total Installment
1/31/2020	\$ 562.91	\$ 997.02	\$ 111.72	\$ 1,671.66
1/31/2021	\$ 596.03	\$ 980.13	\$ 113.96	\$ 1,690.12
1/31/2022	\$ 596.03	\$ 962.25	\$ 116.24	\$ 1,674.51
1/31/2023	\$ 629.14	\$ 944.37	\$ 118.56	\$ 1,692.07
1/31/2024	\$ 629.14	\$ 925.50	\$ 120.93	\$ 1,675.57
1/31/2025	\$ 662.25	\$ 906.62	\$ 123.35	\$ 1,692.22
1/31/2026	\$ 662.25	\$ 883.44	\$ 125.82	\$ 1,671.51
1/31/2027	\$ 695.36	\$ 860.26	\$ 128.33	\$ 1,683.96
1/31/2028	\$ 728.48	\$ 835.93	\$ 130.90	\$ 1,695.30
1/31/2029	\$ 761.59	\$ 808.61	\$ 133.52	\$ 1,703.72
1/31/2030	\$ 794.70	\$ 780.05	\$ 136.19	\$ 1,710.94
1/31/2031	\$ 827.81	\$ 750.25	\$ 138.91	\$ 1,716.97
1/31/2032	\$ 827.81	\$ 719.21	\$ 141.69	\$ 1,688.71
1/31/2033	\$ 860.93	\$ 688.16	\$ 144.52	\$ 1,693.61
1/31/2034	\$ 894.04	\$ 654.80	\$ 147.41	\$ 1,696.26
1/31/2035	\$ 927.15	\$ 620.16	\$ 150.36	\$ 1,697.67
1/31/2036	\$ 993.38	\$ 584.23	\$ 153.37	\$ 1,730.98
1/31/2037	\$ 1,026.49	\$ 545.74	\$ 156.44	\$ 1,728.66
1/31/2038	\$ 1,059.60	\$ 505.96	\$ 159.57	\$ 1,725.13
1/31/2039	\$ 1,092.72	\$ 463.58	\$ 162.76	\$ 1,719.05
1/31/2040	\$ 1,125.83	\$ 419.87	\$ 166.01	\$ 1,711.71
1/31/2041	\$ 1,192.05	\$ 374.83	\$ 169.33	\$ 1,736.22
1/31/2042	\$ 1,225.17	\$ 327.15	\$ 172.72	\$ 1,725.04
1/31/2043	\$ 1,291.39	\$ 278.15	\$ 176.17	\$ 1,745.71
1/31/2044	\$ 1,324.50	\$ 226.49	\$ 179.70	\$ 1,730.69
1/31/2045	\$ 1,390.73	\$ 173.51	\$ 183.29	\$ 1,747.53
1/31/2046	\$ 1,456.95	\$ 117.88	\$ 186.96	\$ 1,761.79
1/31/2047	\$ 1,490.07	\$ 59.60	\$ 190.70	\$ 1,740.37
<b>Total</b>	<b>\$ 26,324.50</b>	<b>\$ 17,393.75</b>	<b>\$ 4,139.43</b>	<b>\$ 47,857.68</b>

*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 C – DEBT SERVICE SCHEDULE

### DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Bonds:

<b>Year Ending (September 30)</b>	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
2018	\$ 80,000		\$ 153,340.28		\$ 233,340.28
2019	85,000		153,100.00		238,100.00
2020	85,000		150,550.00		235,550.00
2021	90,000		148,000.00		238,000.00
2022	90,000		145,300.00		235,300.00
2023	95,000		142,600.00		237,600.00
2024	95,000		139,750.00		234,750.00
2025	100,000		136,900.00		236,900.00
2026	100,000		133,400.00		233,400.00
2027	105,000		129,900.00		234,900.00
2028	110,000		126,225.00		236,225.00
2029	115,000		122,100.00		237,100.00
2030	120,000		117,787.50		237,787.50
2031	125,000		113,287.50		238,287.50
2032	125,000		108,600.00		233,600.00
2033	130,000		103,912.50		233,912.50
2034	135,000		98,875.00		233,875.00
2035	140,000		93,643.76		233,643.76
2036	150,000		88,218.76		238,218.76
2037	155,000		82,406.26		237,406.26
2038	160,000		76,400.00		236,400.00
2039	165,000		70,000.00		235,000.00
2040	170,000		63,400.00		233,400.00
2041	180,000		56,600.00		236,600.00
2042	185,000		49,400.00		234,400.00
2043	195,000		42,000.00		237,000.00
2044	200,000		34,200.00		234,200.00
2045	210,000		26,200.00		236,200.00
2046	220,000		17,800.00		237,800.00
2047	225,000		9,000.00		234,000.00
<b>Total</b>	<b><u>\$ 4,140,000</u></b>		<b><u>\$ 2,932,896.56</u></b>		<b><u>\$ 7,072,896.56</u></b>

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**Item Attachment Documents:**

5. Consider and act on a resolution of the Town of Hickory Creek approving the 2019 annual update to the service and assessment plan and assessment roll for Hickory Creek Public Improvement District No. 2 including the collection of the 2019 annual installments.



**TOWN OF HICKORY CREEK  
RESOLUTION NO. 2019-0618-\_\_**

**A RESOLUTION OF THE TOWN OF HICKORY CREEK APPROVING THE 2019 ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR HICKORY CREEK PUBLIC IMPROVEMENT DISTRICT NO. 2 INCLUDING THE COLLECTION OF THE 2019 ANNUAL INSTALLMENTS**

WHEREAS, the Town of Hickory Creek (the “Town”) has created the Hickory Creek Public Improvement District No. 2 (the “PID”) in accordance with the requirements of Section 372.005 of the Public Improvement District Assessment Act (the “Act”); and

WHEREAS, on June 19, 2018, the Town Council approved and accepted the Amended and Restated Service and Assessment Plan in conformity with the requirements of the Act and adopted the assessment ordinance, which assessment ordinance approved the assessment roll and levied the assessments on property within the PID; and

WHEREAS, pursuant to Section 371.013 of the Act, 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 2019 (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. 2 2019 Annual Service Plan Update attached hereto as ***Exhibit A***.

Section 3. Approval of Update. The 2019 Annual Service Plan Update for the PID for 2019 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.

**PASSED, APPROVED AND EFFECTIVE this 18th day of June, 2019.**

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Lynn C. Clark, Mayor  
Town of Hickory Creek, Texas

ATTEST:

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Kristi Rogers, Town Secretary  
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

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Dorwin L. Sargent, III, Town Attorney  
Town of Hickory Creek, Texas

**EXHIBIT A**

**Service and Assessment Plan**



HICKORY CREEK  
PUBLIC IMPROVEMENT DISTRICT NO. 2  
2019 ANNUAL SERVICE PLAN UPDATE

JUNE 17, 2019

## **INTRODUCTION**

Capitalized terms used in this Annual Service Plan Update shall have the meanings set forth in the Service and Assessment Plan (the “2012 SAP”), the 2018 Amended and Restated Service and Assessment Plan (the “2018 SAP”), or the Reimbursement Agreement, as applicable.

The District was created pursuant to the Act by Resolution No. 2012-0918-1 on September 18, 2012 by the Town Council to finance certain Authorized Improvements for the benefit of the property in the District.

On June 19, 2018, the Town Council approved the 2018 SAP for the District by adopting Ordinance No. 2018-06-796 which issued PID Bonds for Assessed Property within the District and reflected the revised Assessment Roll.

The 2018 SAP identifies the Authorized Improvements to be provided by the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the District for the costs of the Authorized Improvements. Pursuant to the Act, the SAP must be reviewed and updated annually. This document is the Annual Service Plan Update for 2019.

The Town Council also adopted an Assessment Roll identifying the Assessments on each Lot within the District, based on the method of assessment identified in the 2018 SAP. This Annual Service Plan Update also updates the Assessment Roll for 2019.

## LISTED EVENTS

There have not been any listed events in the District.

## PARCEL SUBDIVISION

The final plat for Steeplechase South Addition was approved by the Town on July 17, 2012. The Replat of Lots 1X-R, 2X, 3X and Lots 2-24, Block A Steeplechase South Addition (33.83 Acre Tract) of All of Lot 1X, Block A of Steeplechase South Addition was approved by the Town on June 14, 2018, a copy of which is attached as **Exhibit B**.

## HOMEBUYER DISCLOSURES

See **Exhibit C** for Homebuyers Disclosures.

## OUTSTANDING ASSESSMENT

The outstanding Assessment for the District is \$4,195,000.00<sup>1</sup>

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<sup>1</sup> Net of \$25,000.00 principal payment due September 1, 2019 which will be paid using Annual Installments collected on January 31, 2019.

## ANNUAL INSTALLMENT DUE 1/31/2020

- **Principal and Interest** – The total principal and interest required for the Annual Installment is \$297,343.76.
- **Additional Interest** – Additional Interest is collected to fund the Delinquency and Prepayment Reserve. The Delinquency the Prepayment Reserve Requirement, as defined in the Indenture, is \$230,725.00 and has not been met. As such, the Delinquency and Prepayment Reserve will be funded with Additional Interest on the outstanding Assessment, resulting in an Additional Interest amount due of \$20,975.00.
- **Administrative Expenses** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Administrative Expenses budgeted for the Annual Installment is \$29,110.00.

Due January 31, 2020		
Principal	\$	65,000.00
Interest	\$	232,343.76
Additional Interest	\$	20,975.00
Administrative Expenses	\$	29,110.00
<b>Total Installment</b>	<b>\$</b>	<b>347,428.76</b>

See **Exhibit D** for the debt service schedule for the PID Bonds.

## PREPAYMENT OF ASSESSMENT IN FULL

No full prepayments have occurred within the District.

## PARTIAL PREPAYMENT OF ASSESSMENTS

No partial prepayments have occurred within the District.

## **BOND FUND**

P3Works has reviewed the following bond accounts related to the District as of April 30, 2019 and each account contains the amount shown below:

<b>Bond Account</b>	<b>4/30/2019 Balance</b>
<b>Pledged Revenue Fund</b>	
Bond Pledged Revenue Account	\$135,500.84
<b>Bond Fund</b>	
Principal and Interest Account	\$0.00
<b>Project Fund</b>	
Improvement Account	\$0.00
Costs of Issuance Account	\$23,900.91
<b>Reserve Fund</b>	
Reserve Account	\$308,984.04
Delinquency and Prepayment Reserve Account	\$21,137.58
<b>Redemption Fund</b>	\$0.00
<b>Rebate Fund</b>	\$0.00
<b>Administrative Fund</b>	\$10,115.77



## BUDGET FOR CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

The Authorized Improvements consist of earthwork, water, sanitary sewer, storm drain, and paving infrastructure. Per the Developer's Quarterly Improvement Implementation Report dated March 30, 2019, required by the Continuing Disclosure Agreement (the "Quarterly Report"), development construction within in Improvement Area #2 is currently on hold awaiting plan approval and a resolution to an existing gas transmission line conflict. The following is a table demonstrating the total budget for the Authorized Improvements, the amount spent to date, and the percent complete of the Authorized Improvements. Improvements in Improvement Area #1 are complete, and no money has been spent on Improvement Area #2 Improvements to date.

	Work Performed	Budget	Spent to Date	Percent Complete
<b>Improvement Area #1</b>				
Ellerbee-Walczak, Inc	Engineering	\$ 44,899.13	\$ 44,899.13	100.00%
eScreenLogic, Inc	Environmental Report	2,300.00	2,300.00	100.00%
Halff Associates, INC	Engineering	264,513.19	264,513.19	100.00%
Juan Carlos E. Hernandez	Erosion Control	20,997.45	20,997.45	100.00%
Kart Construction & Equipment Co	Roadway Construction	81,121.36	81,121.36	100.00%
Lake City Municipal Utility District	Engineering	33,513.65	33,513.65	100.00%
Miller Services Inc	Streets	35,014.50	35,014.50	100.00%
PPG Site Services, LLC	Erosion Control	1,001.31	1,001.31	100.00%
Reno Environmental Corp	Erosion Control	14,345.00	14,345.00	100.00%
RKM Utility Services, INC	Water,Sewer, Stormwater	97,200.00	97,200.00	100.00%
SWPPP Inspections, Inc	Erosion Control	4,345.00	4,345.00	100.00%
THB Construction LLC	Roadway Construction	1,560,761.28	1,560,761.28	100.00%
Town of Hickory Creek	City Fees	28,300.00	28,300.00	100.00%
Walker Utilites, Inc	Water, Sewer, Stormwater	795,278.68	795,278.68	100.00%
Xroads, LP	Street Signs	4,248.81	4,248.81	100.00%
		<b>\$ 2,987,839.36</b>	<b>\$ 2,987,839.36</b>	<b>100.00%</b>
<b>Improvement Area #2</b>				
Earthwork		\$ 73,076.00	\$ -	0.00%
Water		147,805.00	-	0.00%
Sanitary Sewer		19,550.00	-	0.00%
Storm Drain		79,284.00	-	0.00%
Paving		419,330.00	-	0.00%
Performance and Payment Bonds		11,654.46	-	0.00%
		<b>\$ 750,699.46</b>	<b>\$ -</b>	<b>0.00%</b>

## SERVICE PLAN - FIVE YEAR BUDGET FORECAST

The Act requires the annual indebtedness and projected costs for the Authorized Improvements to be reviewed and updated in the Annual Service Plan Update, and the projection shall cover a period of not less than five years.

Hickory Creek PID No. 2 - Annual Installments							
Installment Due		1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	
Principal		\$ 65,000.00	\$ 65,000.00	\$ 70,000.00	\$ 75,000.00	\$ 80,000.00	
Interest		\$ 232,343.76	\$ 229,012.50	\$ 225,681.26	\$ 222,093.76	\$ 218,250.00	
Total Debt Service	(1)	\$ 297,343.76	\$ 294,012.50	\$ 295,681.26	\$ 297,093.76	\$ 298,250.00	
Additional Interest	(2)	\$ 20,975.00	\$ 20,650.00	\$ 20,325.00	\$ 19,975.00	\$ 19,600.00	
Administrative Expenses	(3)	\$ 29,110.00	\$ 29,692.20	\$ 30,286.04	\$ 30,891.76	\$ 31,509.60	
<b>Total Annual Installment</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$ 347,428.76</b>	<b>\$ 344,354.70</b>	<b>\$ 346,292.30</b>	<b>\$ 347,960.52</b>	<b>\$ 349,359.60</b>	

## ASSESSMENT ROLL

The list of current Lots within the District, the corresponding total Assessments, and current Annual Installment are shown on the Assessment Roll attached hereto as **Exhibit A**. The Parcels shown on the Assessment Roll will receive the bills for the 2019 Annual Installments which will be delinquent if not paid by January 31, 2020.

## EXHIBIT A – ASSESSMENT ROLL

Parcel ID	Lot Type	Outstanding Assessment <sup>1</sup>	Installment Due 1/31/20
557860	Residential	\$ 32,022.90	\$ 2,652.13
557861	Residential	\$ 32,022.90	\$ 2,652.13
557862	Residential	\$ 32,022.90	\$ 2,652.13
557863	Residential	\$ 32,022.90	\$ 2,652.13
557864	Residential	\$ 32,022.90	\$ 2,652.13
557865	Residential	\$ 32,022.90	\$ 2,652.13
557866	Residential	\$ 32,022.90	\$ 2,652.13
557867	Non-Benefitted Property	\$ -	\$ -
557868	Non-Benefitted Property	\$ -	\$ -
557869	Residential	\$ 32,022.90	\$ 2,652.13
557870	Residential	\$ 32,022.90	\$ 2,652.13
557871	Residential	\$ 32,022.90	\$ 2,652.13
557872	Residential	\$ 32,022.90	\$ 2,652.13
557873	Residential	\$ 32,022.90	\$ 2,652.13
557874	Residential	\$ 32,022.90	\$ 2,652.13
557875	Residential	\$ 32,022.90	\$ 2,652.13
557876	Residential	\$ 32,022.90	\$ 2,652.13
557877	Residential	\$ 32,022.90	\$ 2,652.13
557878	Residential	\$ 32,022.90	\$ 2,652.13
557879	Residential	\$ 32,022.90	\$ 2,652.13
557880	Residential	\$ 32,022.90	\$ 2,652.13
557881	Residential	\$ 32,022.90	\$ 2,652.13
557882	Residential	\$ 32,022.90	\$ 2,652.13
557883	Residential	\$ 32,022.90	\$ 2,652.13
557884	Residential	\$ 32,022.90	\$ 2,652.13
557885	Residential	\$ 32,022.90	\$ 2,652.13
557886	Residential	\$ 32,022.90	\$ 2,652.13
557887	Residential	\$ 32,022.90	\$ 2,652.13
557888	Residential	\$ 32,022.90	\$ 2,652.13
557889	Residential	\$ 32,022.90	\$ 2,652.13
557890	Residential	\$ 32,022.90	\$ 2,652.13
557891	Residential	\$ 32,022.90	\$ 2,652.13
557892	Residential	\$ 32,022.90	\$ 2,652.13
557893	Residential	\$ 32,022.90	\$ 2,652.13
557894	Residential	\$ 32,022.90	\$ 2,652.13
557895	Residential	\$ 32,022.90	\$ 2,652.13
557896	Residential	\$ 32,022.90	\$ 2,652.13
557897	Residential	\$ 32,022.90	\$ 2,652.13
557899	Residential	\$ 32,022.90	\$ 2,652.13
557900	Residential	\$ 32,022.90	\$ 2,652.13

<sup>1</sup> Net of \$25,000.00 principal payment due September 1, 2019 which will be paid using Annual Installments collected on January 31, 2019.

Parcel ID	Lot Type	Outstanding Assessment <sup>1</sup>	Installment Due 1/31/20
557901	Non-Benefitted Property	\$ -	\$ -
557902	Residential	\$ 32,022.90	\$ 2,652.13
557903	Residential	\$ 32,022.90	\$ 2,652.13
557904	Residential	\$ 32,022.90	\$ 2,652.13
557905	Residential	\$ 32,022.90	\$ 2,652.13
557906	Residential	\$ 32,022.90	\$ 2,652.13
557907	Residential	\$ 32,022.90	\$ 2,652.13
557908	Residential	\$ 32,022.90	\$ 2,652.13
557909	Residential	\$ 32,022.90	\$ 2,652.13
557910	Residential	\$ 32,022.90	\$ 2,652.13
557911	Residential	\$ 32,022.90	\$ 2,652.13
557912	Residential	\$ 32,022.90	\$ 2,652.13
557913	Residential	\$ 32,022.90	\$ 2,652.13
557914	Residential	\$ 32,022.90	\$ 2,652.13
557915	Residential	\$ 32,022.90	\$ 2,652.13
557916	Residential	\$ 32,022.90	\$ 2,652.13
557917	Residential	\$ 32,022.90	\$ 2,652.13
557918	Residential	\$ 32,022.90	\$ 2,652.13
557919	Residential	\$ 32,022.90	\$ 2,652.13
557920	Residential	\$ 32,022.90	\$ 2,652.13
557921	Residential	\$ 32,022.90	\$ 2,652.13
557922	Residential	\$ 32,022.90	\$ 2,652.13
557923	Residential	\$ 32,022.90	\$ 2,652.13
557924	Residential	\$ 32,022.90	\$ 2,652.13
557925	Non-Benefitted Property	\$ -	\$ -
557927	Residential	\$ 32,022.90	\$ 2,652.13
557928	Residential	\$ 32,022.90	\$ 2,652.13
557929	Residential	\$ 32,022.90	\$ 2,652.13
557930	Residential	\$ 32,022.90	\$ 2,652.13
557931	Residential	\$ 32,022.90	\$ 2,652.13
557932	Residential	\$ 32,022.90	\$ 2,652.13
557933	Residential	\$ 32,022.90	\$ 2,652.13
557934	Residential	\$ 32,022.90	\$ 2,652.13
557935	Residential	\$ 32,022.90	\$ 2,652.13
557936	Residential	\$ 32,022.90	\$ 2,652.13
557937	Residential	\$ 32,022.90	\$ 2,652.13
557938	Residential	\$ 32,022.90	\$ 2,652.13
557939	Residential	\$ 32,022.90	\$ 2,652.13
557940	Residential	\$ 32,022.90	\$ 2,652.13
557941	Non-Benefitted Property	\$ -	\$ -

<sup>1</sup> Net of \$25,000.00 principal payment due September 1, 2019 which will be paid using Annual Installments collected on January 31, 2019.

Parcel ID	Lot Type	Outstanding Assessment <sup>1</sup>	Installment Due 1/31/20
557943	Residential	\$ 32,022.90	\$ 2,652.13
557944	Residential	\$ 32,022.90	\$ 2,652.13
557945	Residential	\$ 32,022.90	\$ 2,652.13
557946	Residential	\$ 32,022.90	\$ 2,652.13
557947	Residential	\$ 32,022.90	\$ 2,652.13
557949	Residential	\$ 32,022.90	\$ 2,652.13
557950	Residential	\$ 32,022.90	\$ 2,652.13
557951	Residential	\$ 32,022.90	\$ 2,652.13
557952	Residential	\$ 32,022.90	\$ 2,652.13
557953	Residential	\$ 32,022.90	\$ 2,652.13
557954	Residential	\$ 32,022.90	\$ 2,652.13
557955	Residential	\$ 32,022.90	\$ 2,652.13
557956	Residential	\$ 32,022.90	\$ 2,652.13
557957	Residential	\$ 32,022.90	\$ 2,652.13
557958	Residential	\$ 32,022.90	\$ 2,652.13
557959	Residential	\$ 32,022.90	\$ 2,652.13
557960	Residential	\$ 32,022.90	\$ 2,652.13
557961	Residential	\$ 32,022.90	\$ 2,652.13
557962	Residential	\$ 32,022.90	\$ 2,652.13
557963	Residential	\$ 32,022.90	\$ 2,652.13
557964	Residential	\$ 32,022.90	\$ 2,652.13
557965	Residential	\$ 32,022.90	\$ 2,652.13
557966	Residential	\$ 32,022.90	\$ 2,652.13
557967	Residential	\$ 32,022.90	\$ 2,652.13
557968	Residential	\$ 32,022.90	\$ 2,652.13
557969	Residential	\$ 32,022.90	\$ 2,652.13
557971	Residential	\$ 32,022.90	\$ 2,652.13
557972	Residential	\$ 32,022.90	\$ 2,652.13
557973	Residential	\$ 32,022.90	\$ 2,652.13
557974	Residential	\$ 32,022.90	\$ 2,652.13
557975	Residential	\$ 32,022.90	\$ 2,652.13
557976	Residential	\$ 32,022.90	\$ 2,652.13
557977	Residential	\$ 32,022.90	\$ 2,652.13
557979	Non-Benefitted Property	\$ -	\$ -
557982	Non-Benefitted Property	\$ -	\$ -
559781	Non-Benefitted Property	\$ -	\$ -
581613	Non-Benefitted Property	\$ -	\$ -
732775	Residential	\$ 32,022.90	\$ 2,652.13
732776	Residential	\$ 32,022.90	\$ 2,652.13
732777	Residential	\$ 32,022.90	\$ 2,652.13

<sup>1</sup> Net of \$25,000.00 principal payment due September 1, 2019 which will be paid using Annual Installments collected on January 31, 2019.

Parcel ID	Lot Type	Outstanding Assessment <sup>1</sup>	Installment Due 1/31/20
732778	Residential	\$ 32,022.90	\$ 2,652.13
732779	Residential	\$ 32,022.90	\$ 2,652.13
732780	Residential	\$ 32,022.90	\$ 2,652.13
732781	Residential	\$ 32,022.90	\$ 2,652.13
732782	Residential	\$ 32,022.90	\$ 2,652.13
732783	Residential	\$ 32,022.90	\$ 2,652.13
732784	Residential	\$ 32,022.90	\$ 2,652.13
732785	Residential	\$ 32,022.90	\$ 2,652.13
732786	Residential	\$ 32,022.90	\$ 2,652.13
732787	Residential	\$ 32,022.90	\$ 2,652.13
732788	Residential	\$ 32,022.90	\$ 2,652.13
732789	Residential	\$ 32,022.90	\$ 2,652.13
732790	Residential	\$ 32,022.90	\$ 2,652.13
732791	Residential	\$ 32,022.90	\$ 2,652.13
732792	Residential	\$ 32,022.90	\$ 2,652.13
732793	Residential	\$ 32,022.90	\$ 2,652.13
732794	Residential	\$ 32,022.90	\$ 2,652.13
732795	Residential	\$ 32,022.90	\$ 2,652.13
732796	Residential	\$ 32,022.90	\$ 2,652.13
732797	Residential	\$ 32,022.90	\$ 2,652.13
732798	Non-Benefitted Property	\$ -	\$ -
732799	Non-Benefitted Property	\$ -	\$ -
732800	Non-Benefitted Property	\$ -	\$ -
<b>Total</b>		<b>\$ 4,195,000.00</b>	<b>\$ 347,428.76</b>

<sup>1</sup> Net of \$25,000.00 principal payment due September 1, 2019 which will be paid using Annual Installments collected on January 31, 2019.

# EXHIBIT B – REPLAT OF LOTS 1X-R, 2X, 3X AND LOTS 2-24, BLOCK A STEEPELCHASE SOUTH ADDITION (33.83 ACRE TRACT) OF ALL OF LOT 1X, BLOCK A OF STEEPELCHASE SOUTH ADDITION

**OWNER'S CERTIFICATE**  
STATE OF TEXAS  
DENTON COUNTY

WHEREAS CTMGT TURBEVILLE, LLC is the owner of a tract of land situated in the M.E.P. & P.R.R. Company Survey, Abstract Number 815, Town of Hickory Creek, Denton County, Texas, and being all of that tract of land described as Lot 1X, Block A of Steeplechase South Addition, an addition to the Town of Hickory Creek, Denton County, Texas, as recorded in Document Number 2012-216, of the Official Public Records of Denton County, Texas, (O.P.R.D.C.T.), and being part of a certain 112.3623 acre tract of land described as "Tract 3 - South" in Special Warranty Deed to CTMGT Turbeville, LLC, as recorded in Document Number 2011-121373, O.P.R.D.C.T., and more particularly described as follows (The basis of bearing is the Texas Coordinate System of 1983, North Central Zone 4202):

COMMENCING at a point on the northeast corner of said Steeplechase South Addition, and on Turbeville Road in variable width right-of-way, Document Number 2012-216, O.P.R.D.C.T.:

THENCE South 12 degrees 10 minutes 59 seconds East, over and across said Turbeville Road, a distance of 33.83 feet to a corner at the intersection of the common south right-of-way line of said Turbeville Road and the south right-of-way line of Steeplechase South Addition, in variable width right-of-way, Document Number 2012-216, O.P.R.D.C.T.;

THENCE South 68 degrees 41 minutes 24 seconds East, said corner being the north-northeast corner of said Lot 1X and the east point of corner of said Lot 1X, and the intersection of the south right-of-way line of said Turbeville Road and the northeast right-of-way line of Steeplechase South Addition;

THENCE South 68 degrees 41 minutes 24 seconds East, with said south right-of-way line of Turbeville Road, and the north line of said Lot 1X, a distance of 263.03 feet to a 3/4-inch set iron pipe with yellow plastic cap stamped "THALF" (hereinafter referred to as "with cap") for corner, said corner being the common northeast corner of said Lot 1X and the northeast corner of Lot 1, Block A;

THENCE with the common east line of said Lot 1X, Block A and the west line of said Lot 1, the following bearings and distances:

South 01 degree 18 minutes 36 seconds West, departing the south right-of-way line of said Turbeville Road, a distance of 106.76 feet to a 3/4-inch set iron pipe with cap for corner, said corner being the point of curvature of tangent circular curve to the right, having radius of 50.00 feet, chord that bears South 08 degrees 51 minutes 21 seconds East, a distance of 65.46 feet;

Southerly, with said curve, through a central angle of 119 degrees 40 minutes 08 seconds, an arc distance of 194.43 feet to a 3/4-inch set iron pipe with cap for corner, said corner being the point of curvature of tangent circular curve to the left, having radius of 50.00 feet, chord that bears South 07 degrees 41 minutes 42 seconds West, a distance of 23.72 feet;

Southerly, with said curve, through a central angle of 38 degrees 46 minutes 47 seconds, an arc distance of 118.50 feet to a 3/4-inch set iron pipe with cap for corner;

South 22 degrees 13 minutes 28 seconds West, a distance of 92.50 feet to a 3/4-inch set iron pipe with cap for corner, said corner being the point of curvature of tangent circular curve to the left, having radius of 120.00 feet, chord that bears South 09 degrees 31 minutes 48 seconds West, a distance of 71.82 feet;

Southerly, with said curve, through a central angle of 33 degrees 21 minutes 19 seconds, an arc distance of 72.16 feet to a 3/4-inch set iron pipe with cap for corner;

South 10 degrees 08 minutes 51 seconds East, a distance of 139.28 feet to a 3/4-inch set iron pipe with cap for the southwest corner of said Lot 1 and an "x" corner of said Lot 1X;

THENCE with the common northeast line of said Lot 1X, Block A and the south line of said Lot 1, the following bearings and distances:

North 79 degrees 50 minutes 09 seconds East, a distance of 101.04 feet to a 3/4-inch set iron pipe with cap for corner;

North 52 degrees 04 minutes 19 seconds East, a distance of 173.16 feet to a 3/4-inch set iron pipe with cap for corner;

South 37 degrees 05 minutes 47 seconds East, a distance of 150.66 feet to a common "x" corner (corresponds to said Lot 1X, Lot 1, Block A and on the north line of Lot 32, Block B of said Steeplechase South Addition);

THENCE with the common east line of said Lot 1X, Block A and the west line of said Block B, the following bearings and distances:

South 08 degrees 02 minutes 41 seconds West, with the north line of said Lot 32, Block B, a distance of 1.43 feet to a 3/4-inch found iron rod with cap for an "x" corner of said Lot 1X and Lot 32, Block B;

South 23 degrees 58 minutes 00 seconds West, a distance of 136.91 feet to a corner (corresponds to said Lot 32, Block B);

South 21 degrees 07 minutes 19 seconds East, a distance of 355.32 feet to a corner (corresponds to said Lot 32, Block B);

North 08 degrees 52 minutes 41 seconds East, a distance of 20.06 feet to a corner (corresponds to said Lot 32, Block B);

South 08 degrees 52 minutes 41 seconds East, a distance of 20.06 feet to a corner (corresponds to said Lot 32, Block B);

South 24 degrees 07 minutes 19 seconds East, a distance of 487.61 feet to a corner (corresponds to said Lot 32, Block B);

South 27 degrees 44 minutes 33 seconds East, a distance of 87.02 feet to a 5/8-inch found iron rod with cap stamped "DOWDY" for corner;

South 02 degrees 20 minutes 12 seconds East, a distance of 110.05 feet to a corner (corresponds to said Lot 32, Block B);

South 01 degree 02 minutes 34 seconds East, a distance of 140.03 feet to a 1/2-inch found iron rod with cap for corner;

North 02 degrees 15 minutes 07 seconds East, a distance of 10.16 feet to a 1/2-inch found iron rod with cap for corner;

South 08 degrees 50 minutes 40 seconds East, a distance of 694.95 feet to a 1/2-inch found iron rod with cap for corner, said corner being the common southeast corner of said Lot 1X and the southwest corner of said Block B, said corner being on the north line of a tract of land described as "Tract No. 3-22" in deed to United States of America (USA) as recorded in Volume 383, Page 375 of the Deed Records of Denton County, Texas (D.R.D.C.T.).

THENCE with the south line of said Lot 1X, Block A, the following bearings and distances:

North 88 degrees 47 minutes 24 seconds West, with the north line of said USA tract, a distance of 355.88 feet to a found Cap of Engineers' measurements for the northwest corner of said USA tract and the northeast corner of a tract of land described as "Tract No. 3-22" in deed to United States of America (USA) as recorded in Volume 383, Page 375 of the Deed Records of Denton County, Texas (D.R.D.C.T.).

**SURVEYOR'S CERTIFICATION**  
I, Gentry J. Sutton, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that this plat represents a survey made by me or under my direct supervision and that all monuments shown hereon are actually set, and that their location, size and material are correctly shown.

Gentry J. Sutton June 13/2018  
REGISTERED PROFESSIONAL LAND SURVEYOR  
TEXAS REGISTRATION NUMBER 6648  
TPLS FIRM NO. 10026632

**STATE OF TEXAS**  
COUNTY OF DALLAS

BEFORE ME, the undersigned, a Notary Public in and for the said County and State, on the day personally appeared Gentry J. Sutton, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes expressed and under oath stated that the statements in the foregoing certificate are true.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 13<sup>th</sup> day of June, 2018.

*Gentry J. Sutton*  
Notary Public in and for the State of Texas

THIS PLAT IS A TRUE AND CORRECT COPY OF THE ORIGINAL AS FILED IN THE PUBLIC RECORDS OF DALLAS COUNTY, TEXAS, ON JUNE 13, 2018.

**RECOMMENDED FOR APPROVAL**  
*Robert E. Gossett*  
Planning and Zoning Commission  
Town of Hickory Creek, Texas

**APPROVED AND ACCEPTED**  
*Robert E. Gossett*  
Mayor, Town of Hickory Creek, Texas

The undersigned, the Town Secretary of the Town of Hickory Creek, Texas, hereby certifies that the foregoing final plat of the LOTS 1X-R, 2X, 3X AND LOTS 2-24, BLOCK A, STEEPELCHASE SOUTH ADDITION to the Town of Hickory Creek was submitted to the town council on the 13<sup>th</sup> day of June, 2018, and the council, by formal action, then and there accepted the dedication of streets, alleys, parks, easements, public places, and water and sewer lines, as shown and set forth in and upon said plat, and said council further authorized the Mayor to make the acceptance thereof by signing his name as hereinabove subscribed.

Witness my hand this 13<sup>th</sup> day of June, 2018.

*Robert E. Gossett*  
Town Secretary  
Town of Hickory Creek, Texas

Witness my hand this 13<sup>th</sup> day of June, 2018.

OWNER: CTMGT TURBEVILLE, LLC, a Texas limited liability company.  
By: *Michael Maynard*  
Michael Maynard

**STATE OF TEXAS**  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Michael Maynard, known to me to be the person whose name is subscribed to the above and foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 13<sup>th</sup> day of June, 2018.

Notary Public in and for the State of Texas

**LOMA SIGNATURE BLOCK**  
On the 13<sup>th</sup> day of June, 2018, all permanent Lake Cities Municipal Utility Authority (LOMA) assessments dedicated per this plat were approved and accepted by LOMA.

Signed: *Michael Maynard*  
Mike Maynard  
General Manager  
LOMA

**SURVEYOR**  
HALFF ASSOCIATES, INC.  
1201 NORTH BOWEN ROAD  
RICHMOND, TX 77406-1070  
TEL: 214-345-6200  
FAX: 214-739-0309  
TPLS FIRM NO. 10026632

**ENGINEER**  
HALFF ASSOCIATES, INC.  
1201 NORTH BOWEN ROAD  
RICHMOND, TX 77406-1070  
CONTACT: ROBERT E. GOSSETT, P.E.  
TEL: 214-345-6200  
FAX: 214-739-0309  
TPLS FIRM NO. 10026632

**OWNER**  
CENTURIUM AMERICAN  
DEVELOPMENT GROUP  
1201 N. BOWEN, SUITE 200  
RICHMOND, TEXAS 77406  
CONTACT: TONY BARNES  
TEL: 817-684-8802  
FAX: 817-684-7052

**REPLAT**  
OF  
LOTS 1X-R, 2X, 3X AND  
LOTS 2-24, BLOCK A  
STEEPELCHASE SOUTH ADDITION  
(33.83 ACRE TRACT)  
OF  
ALL OF LOT 1X, BLOCK A OF  
STEEPELCHASE SOUTH ADDITION

SITUATED IN THE  
M.E.P. & P.R.R. COMPANY SURVEY  
ABSTRACT NO. 815  
TOWN OF HICKORY CREEK, DENTON COUNTY, TEXAS

FOR  
CENTURIUM AMERICAN

**HALFF**

1201 NORTH BOWEN ROAD, RICHMOND, TEXAS 77406-1070 (214) 345-6200  
100A FIRM NO. 10026632  
AUG. 31/08 SCALE: 1"=100' DATE: JUNE, 2018







## EXHIBIT C - HOMEBUYER DISCLOSURE

### NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS TO THE TOWN OF HICKORY CREEK, TEXAS

#### CONCERNING THE PROPERTY AT:

---

STREET ADDRESS  
ASSESSMENT: \$32,022.90

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the Town of Hickory Creek, Texas, for the costs of a portion of public improvements (the “**Authorized Improvements**”) undertaken for the benefit of the property within “**Hickory Creek Public Improvement District No. 2**” (the “**District**”) created under Subchapter A, Chapter 372, Local Government Code, as amended.

**THE PRINCIPAL OF THE ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$ 32,022.90, WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, ADMINISTRATIVE EXPENSES, AND DELINQUENCY COSTS.**

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments, including the annual installments thereof, will be approved each year by the Town Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the Town Secretary of Hickory Creek.

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

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this \_\_\_\_\_, 20\_\_.

**PURCHASER:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS §

§

COUNTY OF DENTON §

The foregoing instrument was acknowledged before me by \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

STATE OF TEXAS

\_\_\_\_\_  
Notary Public, State of Texas

§

§

COUNTY OF DENTON

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

Annual Installments per Lot							
Installment Due 1/31	Principal	Interest	Additional Interest	Administrative Expenses	Reserve Fund	Total Installment	
2020	\$ 496.18	\$ 1,773.62	\$ 160.11	\$ 222.21	\$ -	\$	2,652.13
2021	\$ 496.18	\$ 1,748.19	\$ 157.63	\$ 226.66	\$ -	\$	2,628.66
2022	\$ 534.35	\$ 1,722.76	\$ 155.15	\$ 231.19	\$ -	\$	2,643.45
2023	\$ 572.52	\$ 1,695.37	\$ 152.48	\$ 235.81	\$ -	\$	2,656.19
2024	\$ 610.69	\$ 1,666.03	\$ 149.62	\$ 240.53	\$ -	\$	2,666.87
2025	\$ 648.85	\$ 1,634.73	\$ 146.56	\$ 245.34	\$ -	\$	2,675.49
2026	\$ 687.02	\$ 1,601.48	\$ 143.32	\$ 250.25	\$ -	\$	2,682.07
2027	\$ 725.19	\$ 1,566.27	\$ 139.89	\$ 255.25	\$ -	\$	2,686.60
2028	\$ 763.36	\$ 1,529.10	\$ 136.26	\$ 260.36	\$ -	\$	2,689.08
2029	\$ 801.53	\$ 1,489.98	\$ 132.44	\$ 265.57	\$ -	\$	2,689.52
2030	\$ 877.86	\$ 1,444.90	\$ 126.72	\$ 270.88	\$ -	\$	2,720.35
2031	\$ 916.03	\$ 1,395.52	\$ -	\$ 276.29	\$ -	\$	2,587.84
2032	\$ 954.20	\$ 1,343.99	\$ -	\$ 281.82	\$ -	\$	2,580.01
2033	\$ 1,030.53	\$ 1,290.31	\$ -	\$ 287.46	\$ -	\$	2,608.31
2034	\$ 1,068.70	\$ 1,232.35	\$ -	\$ 293.21	\$ -	\$	2,594.26
2035	\$ 1,145.04	\$ 1,172.23	\$ -	\$ 299.07	\$ -	\$	2,616.34
2036	\$ 1,183.21	\$ 1,107.82	\$ -	\$ 305.05	\$ -	\$	2,596.08
2037	\$ 1,259.54	\$ 1,041.27	\$ -	\$ 311.15	\$ -	\$	2,611.96
2038	\$ 1,335.88	\$ 970.42	\$ -	\$ 317.38	\$ -	\$	2,623.67
2039	\$ 1,412.21	\$ 895.28	\$ -	\$ 323.72	\$ -	\$	2,631.21
2040	\$ 1,488.55	\$ 815.84	\$ -	\$ 330.20	\$ -	\$	2,634.59
2041	\$ 1,564.89	\$ 732.11	\$ -	\$ 336.80	\$ -	\$	2,633.80
2042	\$ 1,641.22	\$ 644.08	\$ -	\$ 343.54	\$ -	\$	2,628.84
2043	\$ 1,755.73	\$ 551.77	\$ -	\$ 350.41	\$ -	\$	2,657.90
2044	\$ 1,870.23	\$ 453.01	\$ -	\$ 357.42	\$ -	\$	2,680.65
2045	\$ 1,946.56	\$ 347.81	\$ -	\$ 364.57	\$ -	\$	2,658.94
2046	\$ 2,061.07	\$ 238.31	\$ -	\$ 371.86	\$ -	\$	2,671.24
2047	\$ 2,175.57	\$ 122.38	\$ -	\$ 379.29	\$ (2,323.23)	\$	354.01
<b>Total</b>	<b>\$ 32,022.90</b>	<b>\$ 32,226.91</b>	<b>\$ 1,600.19</b>	<b>\$ 8,233.29</b>	<b>\$ (2,323.23)</b>	<b>\$</b>	<b>71,760.05</b>

*Note: Figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in administrative expenses, interest earnings or other available offsets could increase or decrease the amounts shown.*

## EXHIBIT D – DEBT SERVICE SCHEDULE

### DEBT SERVICE REQUIREMENTS

The following table sets forth the anticipated debt service requirements for the Bonds:

<b><u>Year Ending (September 30)</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2019	\$ 25,000.00	\$ 266,072.92	\$ 291,072.92
2020	65,000.00	232,343.76	297,343.76
2021	65,000.00	229,012.50	294,012.50
2022	70,000.00	225,681.26	295,681.26
2023	75,000.00	222,093.76	297,093.76
2024	80,000.00	218,250.00	298,250.00
2025	85,000.00	214,150.00	299,150.00
2026	90,000.00	209,793.76	299,793.76
2027	95,000.00	205,181.26	300,181.26
2028	100,000.00	200,312.50	300,312.50
2029	105,000.00	195,187.50	300,187.50
2030	115,000.00	189,281.26	304,281.26
2031	120,000.00	182,812.50	302,812.50
2032	125,000.00	176,062.50	301,062.50
2033	135,000.00	169,031.26	304,031.26
2034	140,000.00	161,437.50	301,437.50
2035	150,000.00	153,562.50	303,562.50
2036	155,000.00	145,125.00	300,125.00
2037	165,000.00	136,406.26	301,406.26
2038	175,000.00	127,125.00	302,125.00
2039	185,000.00	117,281.26	302,281.26
2040	195,000.00	106,875.00	301,875.00
2041	205,000.00	95,906.26	300,906.26
2042	215,000.00	84,375.00	299,375.00
2043	230,000.00	72,281.26	302,281.26
2044	245,000.00	59,343.76	304,343.76
2045	255,000.00	45,562.50	300,562.50
2046	270,000.00	31,218.76	301,218.76
2047	285,000.00	16,031.26	301,031.26
<b>Total</b>	<b><u>\$4,220,000.00</u></b>	<b><u>\$4,487,798.06</u></b>	<b><u>\$8,707,798.06</u></b>

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**Item Attachment Documents:**

6. Consider and act on the 2019-2020 Hickory Creek Economic Development Corporation Budget.

**Hickory Creek Economic Development Corporation  
2019-2020 Budget**

**Income**

<b>3002 Sales Tax Collections</b>	412,500.00
<b>3004 Logic Interest</b>	20,000.00
<b>3006 Reserve Funds</b>	0.00
<b>3008 Mineral Royalties</b>	0.00
<b>3010 Responsive ED Lease</b>	9,000.00

<b>Total Income</b>	<u>441,500.00</u>
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**Expense**

**Debt Service**

<b>5002 Infrastructure Improvement</b>	0.00
<b>5004 Land Acquisitions</b>	0.00
<b>5006 Ronald Reagan Avenue</b>	46,000.00

<b>Total Debt Service</b>	<u>46,000.00</u>
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**Expense**

<b>4002 Administrative</b>	7,200.00
<b>4004 Attorney</b>	10,000.00
<b>4006 Audit</b>	1,000.00
<b>4008 Bank Service Charges</b>	100.00
<b>4010 Dues &amp; Subscriptions</b>	500.00
<b>4012 Engineering</b>	10,000.00
<b>4014 Marketing</b>	44,150.00
<b>4018 Park Improvements</b>	250,000.00
<b>4022 Professional Service</b>	5,000.00
<b>4024 Public Notices/Advertising</b>	500.00
<b>4028 Training</b>	2,500.00
<b>4030 Travel Expense</b>	2,500.00
<b>4032 Infrastructure Improvement</b>	20,000.00
<b>4034 Land Holding Cost</b>	2,000.00
<b>4036 Land Acquisitions</b>	0.00
<b>4038 Incentives</b>	25,000.00

<b>Total Expense</b>	<u>380,450.00</u>
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<b>Total Expense</b>	<u>426,450.00</u>
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<b>Net Ordinary Income</b>	<u>15,050.00</u>
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**2019-2020  
Hickory Creek  
Economic Development Budget Notes**

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**INCOME LINE ITEMS**

**3002 Income - \$412,500**

The EDC collects ½ of 1% of all the sales tax collected in Hickory Creek. The town financial secretary is budgeting for an increase in sales tax for budget year 2019-2020. The EDC income on this line item represents 25% of the total sales tax, or \$412,500.

**3004 Logic EDC Interest - \$20,000**

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

**3006 Reserve Funds - \$0**

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 needed for any projects.

**3008 Mineral Royalties - \$0**

In the past, the EDC has received monthly royalty checks from the existing natural gas well that runs beneath our property on Ronald Reagan Ave. The well is currently not producing but may in the future.

**3010 Responsive-Ed Lease Agreement - \$9000**

The EDC entered into a lease agreement on July 26, 2018, with ResponsiveEd for a playground on the land adjacent to their school. For the first 2 years, the lease amount will be \$750 per month (\$9,000 annually). If the lease continues beyond 2 years, the next 2 year's payment amount will be \$1000 per month (\$12,000 annually). The lease would be renegotiated beyond that.

**REGULAR EXPENSE LINE ITEMS**

**4002 Administrative - \$7200**

This line item includes \$1500 per quarter Administrative cost, \$75 per quarter building rental, \$800 per year Office Supplies & Equipment, and \$100 Postage

**4004 Attorney - \$10,000**

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 - \$10,000**

Engineering associated with EDC projects if needed.

**4014 Marketing - \$44,150 (10% of income allowed per EDC law)**

Retail Coach expenses

Retail Trade Area Maps

Marketing materials

Advertising

“Section 4B(b) limits Type B corporations to spending no more than 10 percent of the corporate revenues 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.”

**4018 Park Improvements - \$250,000**

Used for improvements requested by EDC or Parks & Rec. In the 2017-2018 budget, the EDC approved \$125,000 for an equestrian trail at Sycamore Bend Park. This was not spent in 2017-2018, so the amount was rolled forward to the 2018-2019 budget. The Town of Hickory Creek also anticipates an updated Park Master Plan, so for 2018-2019, the EDC agreed to budget an additional \$125,000 for new park amenities that may result from the updated plan.

**4022 Professional Service - \$5000**

Professional services as needed

**4024 Public Notices - \$500**

Self Explanatory

**4028 Training - \$2,500**

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

**4030 Travel Expense - \$2,500**

Travel expenses for Training for EDC members or designated representatives.

**4032 Infrastructure Improvements - \$20,000**

Budgeted for possible infrastructure needs.

**4034 Land Holding Cost - \$2000**

Mowing & maintenance of EDC land

**4036 Land Acquisitions - \$0**

No land acquisitions anticipated, but if needed, funds will be added from Reserve fund

**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 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. After this line item is paid in August 2019, the remaining balance will be \$181,113.33.

**Item Attachment Documents:**

7. Consider and act on an ordinance of the Town Council of the Town of Hickory Creek, Texas, amending Article 2.03 Dogs and Cats; providing for incorporation of premises; providing findings; providing for amendment to the Code of Ordinances; providing a cumulative repealer clause; providing for savings; providing for severability; providing for penalty; providing for publication; providing for engrossment and enrollment; and providing and effective date.

**TOWN OF HICKORY CREEK, TEXAS**  
**ORDINANCE NO. 2019-06-\_\_**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS, AMENDING ARTICLE 2.03 DOGS AND CATS; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FINDINGS; PROVIDING FOR AMENDMENT TO THE CODE OF ORDINANCES; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SAVINGS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AND EFFECTIVE DATE.**

**WHEREAS**, the Town of Hickory Creek, 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 the Texas Constitution and operating pursuant to the enabling legislation of the State of Texas; and

**WHEREAS**, the Town Council is empowered under section 51.012 of the Local Government Code to adopt ordinances necessary for the government, interest, welfare, or good order of the municipality; and

**WHEREAS**, the Town Council does hereby find and determine that the adoption of this Ordinance is necessary for the government, interest, welfare and good order of the Town; and

**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 necessary for the government, interest, welfare, and good order of the Town.

**SECTION 3.**  
**AMENDMENTS**

3.01 That the Town of Hickory Creek Code of Ordinances, Article 2.03 Dogs and Cats; Section 2.03.003 Dog and Cat Waste is hereby created and shall read:

“An owner or handler shall promptly remove and sanitarily dispose of feces produced from a dog or cat in his possession left on either (1) public property or (2) private property not owned by the owner or handler of the dog or cat.”

3.02 All other articles, chapters, 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 utility rates and fees which have accrued 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.**  
**PENALTY**

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

Any person violating any of the provisions of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined, except as otherwise provided herein, in a sum not to exceed Five Hundred Dollars (\$500.00) for each offense, and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

**SECTION 8.**  
**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, Penalty Clause, and Effective Date clause of this Ordinance for two (2) days as required by Section 52.011 of the Texas Local Government Code.

**SECTION 9.**  
**ENGROSSMENT AND ENROLLMENT**

The Town Secretary of the Town of Hickory Creek is hereby directed to engross and enroll this Ordinance by copying the exact Caption, Penalty Clause, and Effective Date clause in the minutes of the Town Council of the Town of Hickory Creek and by filing this Ordinance in the Ordinance records of the Town.

**SECTION 10.**  
**EFFECTIVE DATE**

This Ordinance shall become effective from and after its date of passage and publication in accordance with law.

**AND IT IS SO ORDAINED.**

**PASSED AND APPROVED** by the Town Council of the Town of Hickory Creek, Texas this 18th day of June, 2019.

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**Lynn C. Clark, Mayor**  
**Town of Hickory Creek, Texas**

**(Seal)**

**ATTEST:**

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**Kristi Rogers, Town Secretary**  
**Town of Hickory Creek, Texas**

**APPROVED AS TO FORM:**

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**Dorwin L. Sargent, III, Town Attorney**  
**Town of Hickory Creek, Texas**

**Item Attachment Documents:**

8. Reconvene a public hearing on a request from KSW Holding Hickory Creek, LP to designate the zoning as PD Planned Development on two (2) tracts of land legally described as A1120A H.H. Swisher 50, 5.0 acres and TR 50A(1)(PT), 33.8629 acres, Town of Hickory Creek, Denton County, Texas, and consider and act on an ordinance adopting the same. The properties are located in the 1800 Block of Turbeville Road. This public hearing is a continuance of the May 21, 2019 public hearing.

**TOWN OF HICKORY CREEK, TEXAS**  
**ORDINANCE NO. 2019-06-\_\_\_\_\_**

**AN ORDINANCE OF THE TOWN COUNCIL OF HICKORY CREEK, TEXAS, AMENDING AS HERETOFORE AMENDED, ITS COMPREHENSIVE ZONING ORDINANCE, AND AMENDING THE OFFICIAL ZONING MAP OF THE TOWN BY DESIGNATING CERTAIN TRACTS OF LAND LEGALLY DESCRIBED AS A1120A H.H. SWISHER TR 50, 5.0 ACRES AND TR 50A (1) (PT) OF LAND BEING MORE PARTICULARLY DESCRIBED IN EXHIBIT "A," ATTACHED HERETO AND INCORPORATED HEREIN; AS PD (PLANNED DEVELOPMENT); PROVIDING THAT SUCH TRACTS OF LAND SHALL BE USED IN ACCORDANCE WITH THE APPLICABLE REQUIREMENTS OF THE COMPREHENSIVE ZONING ORDINANCE AND ALL OTHER APPLICABLE ORDINANCES OF THE TOWN; PROVIDING THAT THE ZONING MAP SHALL REFLECT THE PLANNED DEVELOPMENT ZONING DISTRICT DESIGNATION FOR THE SUBJECT PROPERTY; PROVIDING A PRELIMINARY SITE PLAN; PROVIDING DEVELOPMENT STANDARDS; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A PENALTY NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES; PROVIDING FOR THE TOWN OF HICKORY CREEK TO BRING SUIT IN DISTRICT COURT TO ENJOIN THE PERSON, FIRM, PARTNERSHIP, CORPORATION, OR ASSOCIATION FROM ENGAGING IN THE PROHIBITED ACTIVITY; 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**, Title 7, Chapter 211.003 of the Texas Local Government Code empowers a municipality to, among other things, establish and amend zoning districts, classifications of land use, adopt a comprehensive plan to regulate the use of land and open spaces, adopt and amend zoning regulations, regulate population density, and regulate the use and location of buildings; and

**WHEREAS**, the owner/representative of an approximately 39 gross acres of land described on Exhibit "A" attached hereto and incorporated herein (the "Property"), has applied for a zoning designation of PD (Planned Development) District; and

**WHEREAS**, such application further requested an amendment to the official Zoning District Map of the Town in accordance with the zoning ordinance of the Town; and

**WHEREAS**, after public notices were given, legal notices and other requirements were satisfied, and a public hearing was conducted, all in accordance with State law and the Comprehensive Zoning Ordinance of the Town, and after considering the information submitted at that public hearing and all other relevant information and materials, the Planning and Zoning Commission of the Town has forwarded to the Town Council its favorable recommendation regarding the adoption of the amendment to the Comprehensive Zoning Ordinance as set forth in this Ordinance; and



**WHEREAS**, after public notices were given, legal notices and other requirements were satisfied, and a public hearing was conducted, all in accordance with State law and the Comprehensive Zoning Ordinance of this Town, and after considering the information submitted at that public hearing and all other relevant information and materials, including the character of the Property and its suitability for particular uses and development, with a view of encouraging the most appropriate use of the Property, the Town Council made a finding that the rezoning approved hereby accomplishes such objectives; and

**WHEREAS**, the Town Council has determined that there is a necessity and need for the change in zoning and that the proposed change is consistent with the Comprehensive Land Use Plan of the Town.

**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 and consideration of the recommendation of the Planning and Zoning Commission and the information and other materials received at the public hearing, 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** **REZONING**

The zoning ordinance of the Town of Hickory Creek, Texas, the same being the Town's Comprehensive Zoning Ordinance, as it exists on the date of the adoption of this Ordinance (the "Comprehensive Zoning Ordinance") is hereby amended in the following particulars, and all other articles, chapters, sections, paragraphs, sentences, definitions, phrases, and words are not amended but are hereby ratified and affirmed:

- A. The zoning of the Property hereby designates PD (Planned Development) District for use in accordance with the requirements of this Ordinance and all other applicable ordinances, rules, and regulations of the Town. Requirements of this Ordinance are more specifically described and set forth in Exhibits "B" and "C", which are attached hereto and incorporated herein for all purposes and shall apply to the "PD" Planned Development unless otherwise specified in such Exhibits.
- B. The development standards for this Planned Development are attached hereto as Exhibit "B" and are incorporated herein as if copied in their entirety. Such development standards shall be adhered to in carrying out the development of the

Property in accordance with this Ordinance and shall individually and collectively constitute conditions precedent to the granting of any Certificate of Occupancy and building permit for all structures within this Planned Development.

- C. A conceptual site plan for the Property is attached hereto as Exhibit "C" and incorporated herein as if copied in its entirety.

#### **SECTION 4**

#### **APPLICABLE REGULATIONS**

Except as otherwise provided in this Ordinance, the Property shall be subject to the applicable regulations contained in the Comprehensive Zoning Ordinance and all other applicable and pertinent ordinances and regulations of the Town, including, but not limited to, the Town's subdivision ordinance, building codes, requirements concerning preliminary and comprehensive site plans, landscape plans, and tree preservation. It shall be unlawful for any person, firm, or corporation to make sure of said premises in some manner other than as outlined by this Ordinance.

#### **SECTION 5**

#### **ZONING MAP**

The Town Secretary is hereby directed to mark and indicate on the official Zoning District Map of the Town the zoning change herein made.

#### **SECTION 6**

#### **CUMULATIVE**

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.

#### **SECTION 7**

#### **SAVINGS**

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 regulations governing and regulating the zoning of land 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 courts.

#### **SECTION 8**

#### **SEVERABILITY**

If any section, article, paragraph, sentence, clause, phrase, or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the Town Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

**SECTION 9**  
**PENALTY**

It shall be unlawful for any person to violate any provision of this Ordinance, and any person violating or failing to comply with any provision hereof shall be fined, upon conviction, in an amount not more than Two Thousand Dollars (\$2,000.00), and a separate offense shall be deemed committed each day during or on which a violation occurs or continues. If the governing body of the Town of Hickory Creek determines that a violation of this Ordinance has occurred, the Town of Hickory Creek may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

**SECTION 10**  
**PUBLICATION**

The Town Secretary of the Town of Hickory Creek is hereby directed to publish the Caption, Penalty, and Effective Date of this Ordinance as required by Section 52.011 of the Texas Local Government Code.

**SECTION 11**  
**ENGROSSMENT AND ENROLLMENT**

The Town Secretary of the Town of Hickory Creek is hereby directed to engross and enroll this Ordinance by copying the exact Caption, Penalty, and Effective Date of this Ordinance in the minutes of the Town Council and by filing this Ordinance in the ordinance records of the Town.

**SECTION 12**  
**EFFECTIVE DATE**

This ordinance shall become effective from and after its date of adoption and publication as provided by law, and it is so ordained.

**PASSED AND APPROVED** by the Town Council of the Town of Hickory Creek,  
Texas, this 21st day of May, 2019.

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Lynn C. Clark, Mayor  
Town of Hickory Creek, Texas

ATTEST:

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Kristi K. Rogers, Town Secretary  
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

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Dorwin L. Sargent, III, Town Attorney  
Town of Hickory Creek, Texas

**Exhibit A**  
**Legal Description**

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE H. H. SWISHER SURVEY, ABSTRACT NO. 1220, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A 39.2300 ACRE PROPERTY DESCRIBED IN DEED TO T CHATEAU EVENT CENTER, LLC AS RECORDED INSTRUMENT NO. 2012-44732 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS AND BEING MORE DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING AT A 5/8" IRON ROD SET FOR CORNER IN THE EAST LINE SAID 39.2300 ACRE TRACT, COMMON WITH THE WEST LINE OF A 19.2345 ACRE TRACT, DESCRIBED IN DEED TO 1745 TURBEVILLE RENTAL PROPERTY, LLC, AS DESCRIBED IN DEED RECORDED UNDER COUNTY CLERKS FILE NO. 2015-48856 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS AND LOCATED IN THE NORTH RIGHT-OF-WAY LINE OF TURBEVILLE ROAD, FOR THE NORTHEAST CORNER OF A 0.3671 ACRE TRACT OF LAND DESCRIBED IN RIGHT-OF-WAY WARRANTY DEED TO THE TOWN OF HICKORY CREEK, DENTON COUNTY, TEXAS, AS RECORDED IN INSTRUMENT NO. 2013-88998 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, SAID CORNER ALSO BEING THE NORTHWEST CORNER OF A RIGHT-OF-WAY PARCEL DESCRIBED IN DEED TO TOWN OF HICKORY CREEK, TEXAS AND RECORDED IN INSTRUMENT NO. 2013- 19372 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS;

THENCE FOLLOWING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID TURBEVILLE ROAD AS DESCRIBED IN SAID RIGHT-OF-WAY WARRANTY DEED TO TOWN OF HICKORY CREEK, TEXAS AS RECORDED IN INSTRUMENT NO. 2013-88998 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, THE FOLLOWING COURSES AND DISTANCES NUMBERED (1) THROUGH (5);

1. SOUTH 89° 41' 16" WEST FOR A DISTANCE OF 250.02 FEET TO A 5/8" IRON ROD SET FOR CORNER;
2. SOUTH 01° 45' 46" EAST FOR A DISTANCE OF 9.91 FEET TO A 112" IRON ROD WITH YELLOW PLASTIC CAP FOUND FOR CORNER;
3. SOUTH 89° 40' 06" WEST FOR A DISTANCE OF 406.04 FEET TO A 5/8" IRON ROD SET FOR CORNER;
4. NORTH 89° 43' 11" WEST FOR A DISTANCE OF 226.42 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP FOUND FOR CORNER;
5. NORTH 89° 07' 34" WEST FOR A DISTANCE OF 456.60 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "HALFF" FOUND FOR CORNER, SAID CORNER BEING THE NORTHWEST CONER OF AFORESAID 0.3671 ACRE TRACT OF LAND DESCRIBED IN RIGHT-OF-WAY WARRANTY DEED TO TOWN OF HICKORY CREEK, TEXAS AND RECORDED IN INSTRUMENT NO. 2013-88998 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS AND BEING IN THE WEST LINE OF THE AFORESAID 39.2300 ACRE TRACT;

THENCE NORTH 00° 02' 13" EAST AND DEPARTING THE NORTH RIGHT-OF-WAY LINE OF SAID TURBEVILLE ROAD AS DESCRIBED IN SAID RIGHT-OF-WAY WARRANTY DEED TO TOWN OF HICKORY CREEK, TEXAS AND RECORDED IN INSTRUMENT NO. 2013-88998 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS AND FOLLOWING ALONG WEST LINE OF AFORESAID 39.2300 ACRE T. CHATEAU EVENT CENTER, LLC TRACT COMMON WITH THE EAST LINE OF STEEPLECHASE NORTH ADDITION - PHASE 1, AN ADDITION TO THE TOWN OF HICKORY CREEK, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NO. 2013-91 OF THE OFFICIAL RECORDS OF DENTON COUNTY, TEXAS, FOR A DISTANCE OF 1403.03 FEET TO A 5/8" IRON ROD SET FOR CORNER IN THE SOUTH LINE OF 3.2515 ACRE TRACT OF LAND DESCRIBED IN DEED TO ALAN HARVEY GOLDFIELD AS RECORDED IN DOCUMENT NO. 2013-57560 OF THE OFFICIAL RECORDS OF DENTON COUNTY, TEXAS, SAID POINT BEING THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 36° 41' 33" WITH A RADIUS OF 400.00 FEET AND A CHORD BEARING SOUTH 71° 50' 27" EAST AT A DISTANCE OF 251.81 FEET;

THENCE FOLLOWING ALONG THE NORTH LINE OF AFORESAID 39.2300 ACRE T. CHATEAU EVENT CENTER, LLC TRACT AND THE SOUTH LINE OF SAID 3.2515 ACRE ALAN HARVEY GOLDFIELD TRACT, THE FOLLOWING COURSES AND DISTANCES NUMBERED (6) THROUGH (11);

6. SOUTHEASTERLY ALONG SAID CURVE TO THE RIGHT FOR AN ARC DISTANCE OF 256.16 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT BEING THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 460.00 FEET THROUGH A CENTRAL ANGLE OF 36° 41' 11" AND A CHORD BEARING SOUTH 71° 50' 16" EAST AT A CHORD DISTANCE OF 289.53 FEET;

7. SOUTHEASTERLY AND FOLLOWING ALONG SAID CURVE TO THE LEFT FOR AN ARC DISTANCE OF 294.54 FEET TO A 5/8" IRON ROD SET FOR CORNER;

8. NORTH 89° 49' 08" EAST FOR A DISTANCE OF 524.98 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 460.00 FEET THROUGH A CENTRAL ANGLE OF 16° 52' 25" AND CHORD DIRECTION OF NORTH 81° 22' 55" EAST AT A CHORD LENGTH OF 134.98 FEET;

9. SOUTHEASTERLY AND FOLLOWING ALONG SAID CURVE TO THE LEFT FOR AN ARC DISTANCE OF 135.47 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 400.00 FEET THROUGH A CENTRAL ANGLE OF 16° 52' 25" AND CHORD BEARING NORTH 81° 22' 55" EAST AT A CHORD LENGTH OF 117.37 FEET;

10. NORTHEASTERLY ALONG SAID CURVE TO THE RIGHT FOR AN ARC DISTANCE OF 117.80 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP FOUND FOR CORNER ;

11. NORTH 89° 47' 02" EAST FOR A DISTANCE OF 29.66 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT BEING THE NORTHEAST CORNER OF AFORESAID 39.2300 ACRE T. CHATEAU EVENT CENTER, LLC TRACT AND THE NORTHWEST CORNER OF THE AFOREMENTIONED 19.2345 ACRE TRACT OF LAND DESCRIBED IN DEED TO 1745 TURBEVILLE RENTAL PROPERTY, LLC AS RECORDED IN DOCUMENT NUMBER 2015-48856 OF THE OFFICIAL RECORDS OF DENTON COUNTY, TEXAS;

THENCE SOUTH 00° 52' 15" EAST AND DEPARTING THE SOUTH LINE OF AFORESAID 32515 ACRE ALAN HARVEY GOLDFIELD TRACT AND ALONG THE EAST LINE OF AFORESAID 39.2300 ACRE T. CHATEAU EVENT CENTER, LLC TRACT AND THE WEST LINE OF SAID 19.2345 ACRE 1745 TURBEVILLE RENTAL PROPERTY, LLC TRACT FOR A DISTANCE OF 1262.16 FEET TO THE POINT OF BEGINNING AND CONTAINING 38.8755 ACRES OF LAND, MORE OR LESS.

## TRACT 2

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE H.H. SWISHER SURVEY, ABSTRACT NO. 1220, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN SPECIAL WARRANTY DEED TO CTMGT MONTALCINO, LLC, AS RECORDED IN DOCUMENT NO. 2011-121574 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 5/8" IRON ROD SET FOR THE NORTHWEST CORNER OF A RIGHT-OF-WAY DEDICATED FOR TURBEVILLE ROAD (A VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN DOCUMENT NO. 2013-19372 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, SAID POINT BEING IN THE COMMON WEST LINE OF SAID CTMGT MONTALCINO TRACT AND THE EAST LINE OF A TRACT OF LAND DESCRIBED IN GENERAL WARRANTY DEED TO T CHATEAU EVENT CENTER, LLC, AS RECORDED IN DOCUMENT NO. 2012-44732 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS;

THENCE NORTH 00° 52' 15" WEST AND FOLLOWING ALONG SAID COMMON LINE FOR A DISTANCE OF 820.00 FEET TO A POINT FOR CORNER, SAID CORNER BEING THE POINT OF BEGINNING;

THENCE NORTH 00° 52' 15" EAST AND CONTINUING WITH SAID COMMON LINE FOR A DISTANCE OF 10.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 89° 07' 45" EAST AND DEPARTING THE SAID COMMON LINE, OVER AND ACROSS SAID CTMGT MONTALCINO TRACT FOR A DISTANCE OF 1000 FEET TO A POINT FOR CORNER;

**Exhibit B**  
**Planned Development Standards**

The following PD Standards shall apply to the real property described in the legal description attached to this ordinance as Exhibit A (the “Property”). The Base Zoning for the Property is C-1 Commercial District, as that term is defined in Chapter 14 of the Code of Ordinances of the Town of Hickory Creek, Texas (the “Zoning Ordinance”). In the event any provision of these PD Standards conflict with a provision of the Zoning Ordinance, the PD Standards shall apply. All provisions of the Zoning Ordinance not specifically altered by the PD Standards shall apply to the Property.

1. Additional Allowed Uses: In addition to those uses allowed under the Base Zoning, the following uses are permitted at the Property:

- a. Wedding and Event Venue
- b. Hotel – Maximum of 60 rooms
- c. Restaurant
- d. Spa/Sauna

2. Additional Area Regulations: In addition to those area regulations under the Base Zoning, the following shall apply to the Property:

- a. Side Yard: Any lot that shares a boundary with the eastern or western boundary of the Property must provide a side yard of not less than forty (40) feet along said boundary line.
- b. Landscape Buffer: Any lot that shares a boundary with a Residential District or Apartment District must provide a landscape buffer of not less than ten (10) feet.
- c. Screening: Any lot that shares a boundary with the western boundary line of the Property must have a masonry fence with a minimum height of six feet along said boundary line.

3. Additional Parking Regulations: In addition to the parking regulations under the Base Zoning, the following regulations shall apply to the Property. These requirements are cumulative. A lot with more than one use must comply with the parking requirements triggered by each use.

- a. Spa/Sauna: Any lot used as a spa/sauna must provide the greater of either:
  - i. five (5) parking spaces; or
  - ii. one parking space for each two hundred square feet of floor area.
- b. Hotel: Any lot used as a hotel must provide one parking space for each room, unit, or guest accommodation.
- c. Restaurant: Any lot used as a restaurant must provide the greater of either:
  - i. five (5) parking spaces; or
  - ii. one parking space for every three seats under maximum seating arrangements.



# **Exhibit C** **Conceptual Site Plan**



**Item Attachment Documents:**

9. Conduct a public hearing on a request from MM Hickory Creek 24, LLC to designate the zoning as PD Planned Development on a 24.277 acre tract of land legally described as A1220A H.H. Swisher, TR 40, 24.277 acres, Town of Hickory Creek, Denton County, Texas, and consider and act on an ordinance adopting the same. The property is located in the 1000 Block of Ronald Reagan Avenue.

**TOWN OF HICKORY CREEK, TEXAS**  
**ORDINANCE NO. 2019-06-\_\_\_\_**

**AN ORDINANCE OF THE TOWN COUNCIL OF HICKORY CREEK, TEXAS, AMENDING AS HERETOFORE AMENDED, ITS COMPREHENSIVE ZONING ORDINANCE, AND AMENDING THE OFFICIAL ZONING MAP OF THE TOWN BY DESIGNATING A CERTAIN TRACT OF LAND LEGALLY DESCRIBED AS A1120A H.H. SWISHER TR 40, 24.277 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED IN EXHIBIT "A," ATTACHED HERETO AND INCORPORATED HEREIN; AS PD (PLANNED DEVELOPMENT); PROVIDING THAT SUCH TRACTS OF LAND SHALL BE USED IN ACCORDANCE WITH THE APPLICABLE REQUIREMENTS OF THE COMPREHENSIVE ZONING ORDINANCE AND ALL OTHER APPLICABLE ORDINANCES OF THE TOWN; PROVIDING THAT THE ZONING MAP SHALL REFLECT THE PLANNED DEVELOPMENT ZONING DISTRICT DESIGNATION FOR THE SUBJECT PROPERTY; PROVIDING A PRELIMINARY SITE PLAN; PROVIDING DEVELOPMENT STANDARDS; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A PENALTY NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES; PROVIDING FOR THE TOWN OF HICKORY CREEK TO BRING SUIT IN DISTRICT COURT TO ENJOIN THE PERSON, FIRM, PARTNERSHIP, CORPORATION, OR ASSOCIATION FROM ENGAGING IN THE PROHIBITED ACTIVITY; 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**, Title 7, Chapter 211.003 of the Texas Local Government Code empowers a municipality to, among other things, establish and amend zoning districts, classifications of land use, adopt a comprehensive plan to regulate the use of land and open spaces, adopt and amend zoning regulations, regulate population density, and regulate the use and location of buildings; and

**WHEREAS**, the owner/representative of 24.277 acres of land described on Exhibit "A" attached hereto and incorporated herein (the "Property"), has applied for a zoning designation of PD (Planned Development) District; and

**WHEREAS**, such application further requested an amendment to the official Zoning District Map of the Town in accordance with the zoning ordinance of the Town; and

**WHEREAS**, after public notices were given, legal notices and other requirements were satisfied, and a public hearing was conducted, all in accordance with State law and the Comprehensive Zoning Ordinance of the Town, and after considering the information submitted at that public hearing and all other relevant information and materials, the Planning and Zoning Commission of the Town has forwarded to the Town Council its favorable recommendation regarding the adoption of the amendment to the Comprehensive Zoning Ordinance as set forth in this Ordinance; and

**WHEREAS**, after public notices were given, legal notices and other requirements were satisfied, and a public hearing was conducted, all in accordance with State law and the Comprehensive Zoning Ordinance of this Town, and after considering the information submitted at that public hearing and all other relevant information and materials, including the character of the Property and its suitability for particular uses and development, with a view of encouraging the most appropriate use of the Property, the Town Council made a finding that the rezoning approved hereby accomplishes such objectives; and

**WHEREAS**, the Town Council has determined that there is a necessity and need for the change in zoning and that the proposed change is consistent with the Comprehensive Land Use Plan of the Town.

**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 and consideration of the recommendation of the Planning and Zoning Commission and the information and other materials received at the public hearing, 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** **REZONING**

The zoning ordinance of the Town of Hickory Creek, Texas, the same being the Town's Comprehensive Zoning Ordinance, as it exists on the date of the adoption of this Ordinance (the "Comprehensive Zoning Ordinance") is hereby amended in the following particulars, and all other articles, chapters, sections, paragraphs, sentences, definitions, phrases, and words are not amended but are hereby ratified and affirmed:

- A. The zoning of the Property hereby designates PD (Planned Development) District for use in accordance with the requirements of this Ordinance and all other applicable ordinances, rules, and regulations of the Town. Requirements of this Ordinance are more specifically described and set forth in Exhibits "B" and "C", which are attached hereto and incorporated herein for all purposes and shall apply to the "PD" Planned Development unless otherwise specified in such Exhibits.
- B. The development standards for this Planned Development are attached hereto as Exhibit "B" and are incorporated herein as if copied in their entirety. Such development standards shall be adhered to in carrying out the development of the Property in accordance with this Ordinance and shall individually and collectively

constitute conditions precedent to the granting of any Certificate of Occupancy and building permit for all structures within this Planned Development.

- C. A conceptual site plan for the Property is attached hereto as Exhibit "C" and incorporated herein as if copied in its entirety.

#### **SECTION 4** **APPLICABLE REGULATIONS**

Except as otherwise provided in this Ordinance, the Property shall be subject to the applicable regulations contained in the Comprehensive Zoning Ordinance and all other applicable and pertinent ordinances and regulations of the Town, including, but not limited to, the Town's subdivision ordinance, building codes, requirements concerning preliminary and comprehensive site plans, landscape plans, and tree preservation. It shall be unlawful for any person, firm, or corporation to make sure of said premises in some manner other than as outlined by this Ordinance.

#### **SECTION 5** **ZONING MAP**

The Town Secretary is hereby directed to mark and indicate on the official Zoning District Map of the Town the zoning change herein made.

#### **SECTION 6** **CUMULATIVE**

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.

#### **SECTION 7** **SAVINGS**

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 regulations governing and regulating the zoning of land 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 courts.

#### **SECTION 8** **SEVERABILITY**

If any section, article, paragraph, sentence, clause, phrase, or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the Town Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.



**SECTION 9**  
**PENALTY**

It shall be unlawful for any person to violate any provision of this Ordinance, and any person violating or failing to comply with any provision hereof shall be fined, upon conviction, in an amount not more than Two Thousand Dollars (\$2,000.00), and a separate offense shall be deemed committed each day during or on which a violation occurs or continues. If the governing body of the Town of Hickory Creek determines that a violation of this Ordinance has occurred, the Town of Hickory Creek may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

**SECTION 10**  
**PUBLICATION**

The Town Secretary of the Town of Hickory Creek is hereby directed to publish the Caption, Penalty, and Effective Date of this Ordinance as required by Section 52.011 of the Texas Local Government Code.

**SECTION 11**  
**ENGROSSMENT AND ENROLLMENT**

The Town Secretary of the Town of Hickory Creek is hereby directed to engross and enroll this Ordinance by copying the exact Caption, Penalty, and Effective Date of this Ordinance in the minutes of the Town Council and by filing this Ordinance in the ordinance records of the Town.

**SECTION 12**  
**EFFECTIVE DATE**

This ordinance shall become effective from and after its date of adoption and publication as provided by law, and it is so ordained.

**PASSED AND APPROVED** by the Town Council of the Town of Hickory Creek,  
Texas, this 18th day of June, 2019.

---

Lynn C. Clark, Mayor  
Town of Hickory Creek, Texas

ATTEST:

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Kristi K. Rogers, Town Secretary  
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

---

Dorwin L. Sargent, III, Town Attorney  
Town of Hickory Creek, Texas

**Exhibit A**  
**Legal Description**

BEING a 24.277 acre tract of land situated in the H.H. SWISHER SURVEY, ABSTRACT NO. 1220, Denton County, Texas and being part of that certain tract of land described in a Gift Deed to Ronald Edwin Brown, Sherry Headrick, Rudy Brown, and Teddy Brown, recorded in Volume 4508, Page 703 of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described as follows;

BEGINNING at a brass monument found for the Northwest corner of the Enclave of Hickory Creek, an addition to the Town of Hickory Creek, Denton County, Texas according to the plat thereof recorded in Document No. 2013-198, of the Plat Records of Denton County, Texas, also being in the south line of said Brown tract, also being the northeast corner of a called 3.2515 acre tract of land described to the Town of Hickory Creek, Texas in Special Warranty Deed recorded in Instrument Number 2011-119348, Official Records of Denton County, Texas, (ORDCT);

Thence South 89°48'16" West along the common line of said Brown tract and said 3.2515 acre tract, a distance of feet to a brass monument found for the southwest corner of said Brown tract, also being an angle point in said 3.2515 acre tract and being in the east line of a called 37.4620 acre tract of land described to Alan Harvey Goldfield and Shirley Mae Goldfield in Special Warranty Deed recorded in Instrument Number 2013-58239, (ORDCT);

Thence North 01°14'49" West, with the common line of said Brown tract and said 37.4620 acre tract, passing at a distance of 29.88 feet, a 1/2-inch iron rod found for an angle point in said 3.2515 acre tract, continuing for a total distance of 433.98 feet to a brass disk found for an angle point;

Thence North 00°23'16" West, continuing with the common line of said Brown tract and said 37.4620 acre tract, a distance of 368.26 feet to a 5/8-inch iron rod found for the northwest corner of said Brown tract;

THENCE North 89°41'22" East, with the north line of said Brown tract, passing at a distance of 1296.28 feet a 1/2" iron rod found in the west right of way line of Ronald Reagan Avenue (a variable width Public Right-of-Way at this point), continuing in all a total of 1308.08 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the northeast corner of said 24.277 acre tract;

THENCE South 01°57'32" East, a distance of 802.22 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the southeast corner of said 24.277 acre tract, also being in the north line of said Enclave of Hickory Creek, also being in the north line of a 30 foot right-of-way dedicated by said Enclave of Hickory Creek plat;



THENCE South 89°33'07" West, with the common line of said Brown tract and said Enclave of Hickory Creek, passing at a distance of 26.34 feet a 1/2-inch iron rod found, continuing in all a total distance of 670.33 feet to the POINT OF BEGINNING, and containing 24.277 acres of land, more or less.

NOTES:

- THE BEARINGS SHOWN AND RECITED HEREON ARE BASED UPON THE TEXAS COORDINATE SYSTEM OF 1983 (NORTH CENTRAL ZONE NO. 4202 - NAD83), ALL DISTANCES ARE SURFACE DISTANCES WITH A SURFACE TO GRID SCALE FACTOR OF 0.99984839.

- THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

**Exhibit B**  
**Planned Development Standards**

The following PD Standards shall apply to the real property described in the legal description attached to this ordinance as Exhibit A (the “Property”). The Base Zoning for the Property is SF-3 Residential District, as that term is defined in Chapter 14 of the Code of Ordinances of the Town of Hickory Creek, Texas (the “Zoning Ordinance”). In the event any provision of these PD Standards conflict with a provision of the Zoning Ordinance, the PD Standards shall apply. All provisions of the Zoning Ordinance not specifically altered by the PD Standards shall apply to the Property.

**1.0 General Regulations**

- 1.1 A property owners association shall be established and shall be the owner and responsible for the maintenance of all open space areas.
- 1.2 The development shall be identified at all entrances into the Development.
- 1.3 All single-family detached and attached residences must be front-entry and have garage access from a dedicated public street and shall be subject to setbacks outlined in section 2.0 Area Regulations of these Standards.

**2.0 Area Regulations**

- 2.1 General Area Regulations. Single-family residential lots must comply with the following area standards:

Lot Size:	Five thousand (5,000) square feet
Front Yard:	Twenty feet (20')
Side Yard:	Five feet (5')
Corner Side Yard:	Fifteen feet (15')
Rear Yard:	Ten feet (10')
Lot Width:	Fifty feet (50') at building line; thirty feet (30') at property line
Lot Depth:	One hundred five feet (105')

- 2.2 The density for the Hickory Farms development shall be a maximum of 5.8 single-family units per acre.

**3.0 Parking Regulations**

- 3.1 Residential. For residential uses, a minimum of two (2) enclosed off-street parking spaces located behind the front building line shall be provided for each dwelling unit.

**4.0 Landscape & Irrigation Regulations**

- 4.1 Except as otherwise provided herein, the landscape and irrigation requirements for all

uses shall conform to any landscaping regulations described in the Town of Hickory Creek Subdivision Ordinance, as of the Amendment Effective Date.

4.2 For single-family lots, and prior to any occupancy of the dwelling, a minimum of two (2) trees with a minimum caliper of three inches (3"), measured at a point six inches (6") above ground level shall be required for all lots and shall be located in the front yard on all lots.

4.3 Tree species shall comply with any landscaping regulations described in the Town of Hickory Creek Subdivision Ordinance, as of the Amendment Effective Date, and the following:

- **Tree**
  - Caddo Maple
  - Golden Raintree
- **Other Shrubs**
  - Knockout Rose
  - Purple Pixie Loropetalum
  - Golden Dot Euonymus
  - Red Yucca
  - Smoke Tree
  - Butterfly Bush
  - Coral Drift Rose
  - Pink Skull Cap
- **Ground Cover**
  - Little Bluestem
  - Weeping Love Grass
  - Mexican Feather Grass

## **5.0 Open Space Regulations**

5.1 Open Space Requirements No less than four percent (4%) of the Property must be set aside as dedicated open space, as general depicted on the Concept Plan.

## **6.0 Screening and Fencing Regulations**

6.1 Residential Screening For any portion of a single-family subdivision adjacent to an arterial street, a minimum three feet (3') landscape strip and a minimum six-foot (6') solid masonry wall shall be provided to screen the residential lots from the arterial street. The landscaping shall be irrigated, installed on the street side of the wall and located to cover fifty (50) percent of the landscaped area when matured.

6.2 Residential Fencing Fencing for all other residential lots shall be a minimum of six feet (6') and maximum of eight feet (8'), board-on-board, pre-stained spruce or better fence with steel

posts mounted on the inside so as not to be visible from street. All lots adjacent to any greenbelt area, open space, or park shall require a standard height of five feet (5') ornamental metal fencing.

Gates in residential fencing to public spaces shall be prohibited.

## **7.0 Streets**

7.1 All streets within the development shall be a minimum of six (6) inches thick of concrete using 3600-psi reinforced concrete and shall be in accordance with the Town of Hickory Creek Subdivision Ordinance, as of the Amendment Effective Date.

## **8.0 Tree Mitigation**

8.1 The Hickory Farms development shall not be subject to any tree mitigation requirements of the Town of Hickory Creek.

## **9.0 Homeowner's Association (HOA):**

a) An HOA shall be established to maintain open space, landscaping and screening, and other commonly owned facilities.

b) The Developer is responsible for drafting the HOA documents pertaining to the HOA's responsibilities to maintain these areas and include notification to homeowners within the Property.

c) Prior to approval of a Final Plat, a document establishing the HOA shall be submitted to the Town for review and approved by the Town for conformance with all requirements and other applicable ordinances.

# **Exhibit C** **Concept Plan**





**Item Attachment Documents:**

10. Conduct a public hearing, and consider and act on an ordinance levying assessments for the costs of certain improvements to be provided in the Hickory Farms Public Improvement District; fixing a charge and lien against all properties within the district, and the owners thereof; providing for the manner and method of collection of such assessments; making a finding of special benefit to property in the district; approving a service and assessment plan; providing a severability clause; and providing an effective date.

## CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS  
COUNTY OF DENTON  
TOWN OF HICKORY CREEK

§  
§  
§

We, the undersigned officers of the Town of Hickory Creek (the "Town"), hereby certify as follows:

1. The Town Council of said Town convened in a regular meeting on June 18, 2019, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Town Council, to-wit:

Lynn Clark; Mayor  
Tracee Elrod; Place 1  
Chris Gordon; Place 3

Paul Kenney; Place 4, Mayor Pro Tem  
Richard DuPree; Place 2  
Ian Theodore; Place 5

and all of said persons were present except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written ordinance entitled

AN ORDINANCE LEVYING ASSESSMENTS FOR THE COSTS OF CERTAIN IMPROVEMENTS TO BE PROVIDED IN THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT; FIXING A CHARGE AND LIEN AGAINST ALL PROPERTIES WITHIN THE DISTRICT, AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTION OF SUCH ASSESSMENTS; MAKING A FINDING OF SPECIAL BENEFIT TO PROPERTY IN THE DISTRICT; APPROVING A SERVICE AND ASSESSMENT PLAN; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

was duly introduced for the consideration of said Town Council. It was then duly moved and seconded that said Ordinance be adopted and, after due discussion, said motion, carrying with it the adoption of said Ordinance, prevailed and carried by the following vote:

AYES: \_      NOES: \_      ABSTAIN: \_

2. That a true, full and correct copy of the aforesaid Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Ordinance has been duly recorded in said Town Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Town Council's minutes of said Meeting pertaining to the adoption of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Town Council as indicated therein; that each of the officers and members of said Town Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Ordinance would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.



3. That the Mayor of said Town has approved and hereby approves the aforesaid Ordinance; that the Mayor and the Town Secretary of said Town have duly signed said Ordinance; and that the Mayor and the Town Secretary of said Town hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED ON JUNE 18, 2019.

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Lynn C. Clark, Mayor  
Town of Hickory Creek, Texas

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Kristi Rogers, Town Secretary  
Town of Hickory Creek, Texas

(TOWN SEAL)

**TOWN OF HICKORY CREEK, TEXAS**  
**ORDINANCE NO. 2019-06-\_\_\_**

**AN ORDINANCE LEVYING ASSESSMENTS FOR THE COSTS OF CERTAIN IMPROVEMENTS TO BE PROVIDED IN THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT; FIXING A CHARGE AND LIEN AGAINST ALL PROPERTIES WITHIN THE DISTRICT, AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTION OF SUCH ASSESSMENTS; MAKING A FINDING OF SPECIAL BENEFIT TO PROPERTY IN THE DISTRICT; APPROVING A SERVICE AND ASSESSMENT PLAN; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, Subchapter A of Chapter 372 of the Texas Local Government Code (the "Act") authorizes the governing body (the "Town Council") of the Town of Hickory Creek, Texas (the "Town") to create public improvement districts; and

WHEREAS, on April 4, 2019, a petition (the "Petition") was submitted and filed with the Town Secretary of the Town (the "Town Secretary") pursuant to the Act, requesting the creation of a public improvement district located within the extraterritorial jurisdiction of the Town to be known as "Hickory Farms Public Improvement District" (the "PID" or "District"); 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 April; 16, 2019, the Town Council of the Town adopted a resolution accepting the Petition and calling a public hearing on the creation of the District to be held on May 21, 2019; and

WHEREAS, on May 21, 2019, after due notice, 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 Act and, on May 21, 2019, the Town Council made the findings required by Section 372.009(b) of the Act and, by Resolution No. 2019-0521-3 adopted by the Town Council, authorized and created the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of Resolution No. 2019-0521-3, the Town published notice of its authorization and creation of the District in a newspaper of general circulation in the Town and in the Town's extraterritorial jurisdiction; and

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

WHEREAS, the Town, pursuant to Section 372.016(b) of the Act, published notice of a public hearing in a newspaper of general circulation in the Town where the proposed improvements are to be undertaken 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 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 June 18, 2019 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 (as defined in the Service and Assessment Plan), and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of costs of the Authorized Improvements (as defined in the Service and Assessment Plan), 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 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 of the Authorized Improvements, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the Town Council and the Town staff have been presented a final Service and Assessment Plan relating to the Authorized Improvements and including the assessment rolls attached thereto for the Assessments (the "Assessment Roll"), a copy of which Service and Assessment Plan is attached hereto as Exhibit A and is incorporated herein for all purposes; and

WHEREAS, the Service and Assessment Plan sets forth the estimated total costs of the Authorized Improvements and the Assessment Roll, attached to the Service and Assessment Plan and states the Assessments to be levied against each parcel of land for the Authorized Improvements as determined by the method of assessment chosen by the Town;

WHEREAS, the owner(s) (the "Landowner(s)"), or their representatives, of the privately-owned and taxable property located in the District, and who are the persons to be assessed pursuant to this Ordinance, have indicated their approval and acceptance of the final Service and Assessment Plan, of the Assessment Roll, this Ordinance, and their approval of the levy of the Assessments against property located within the District, and their agreement to pay the Assessments when due and payable and requested that the City file the Service and Assessment Plan and Assessment Roll in the real property records of Denton County;

WHEREAS, and after considering the information, materials, evidence, and testimony offered to the Town Council prior to and at the public hearing, the Town Council has determined that it promotes the interests of the Town to adopt and approve this Ordinance;

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

Section 1. All matters stated in the preamble of this Ordinance are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety. Unless otherwise defined in this Ordinance, capitalized terms used in this Ordinance shall have the meanings given to them in the Service and Assessment Plan for the District. All actions of the Town in connection with the creation and establishment of the District and the approval of this Ordinance: (i) have been taken and performed in compliance with the Act and all other applicable laws, policies, and procedures; (ii) have been taken and performed in a regular, proper, and valid manner; and (iii) are approved and ratified.

Section 2. The Service and Assessment Plan attached as Exhibit A to this Ordinance is approved and adopted by the Town Council as the "service plan" for the District as required by Section 372.013 of the Act, the "assessment plan" for the District as required by Section 372.014 of the Act, and the "assessment roll" for the District as required by Section 372.016 of the Act. The Service and Assessment Plan has been reviewed by the Town Council and is hereby approved and adopted. The Service and Assessment Plan for the District shall be updated annually as required by the Act.

Section 3. The costs of the Authorized Improvements are hereby assessed and levied against the Assessed Property as an assessment against the benefitted property as set forth in the Service and Assessment Plan for the District. The Service and Assessment Plan for the District and the Assessments are effective upon the effective date of this Ordinance.

Section 4. (a) The levy of the Assessments for a portion of the costs of the Authorized Improvements shall be effective on the date of adoption of this Ordinance levying such Assessments and strictly in accordance with the terms of the Service and Assessment Plan.

(b) The apportionment of the costs of the Authorized Improvements to be assessed against the Assessed Property within the District shall be as set forth in the Service and Assessment Plan.

(c) The Assessments and Annual Installments shall be collected, administered and may be reallocated, and the costs of improvements paid, as set forth in: (i) this Ordinance; (ii) the Service and Assessment Plan; and (iii) any ordinance, resolution, bond indenture or agreement approved by the Town Council.

(d) Each Assessment may be paid in a lump sum or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Assessment shall accrue and bear interest at the rate specified in the Service and Assessment Plan.

(f) Each Annual Installment shall be due and payable and shall be collected each year in the manner set forth in the Service and Assessment Plan.

(g) Assessments and the interest thereon shall be deposited as and when received by the Town into a separate fund to be used to pay the costs incurred for the Authorized Improvements, including debt service on Bonds issued to pay the costs of the Authorized Improvements, and the establishment of each such fund is hereby approved.

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

Section 5. Based on information, materials, evidence, and testimony available to or provided to the Town Council, the Town Council has found and determined that the Assessments: (i) have been levied in accordance with the Act based solely on the special benefits conferred on the Assessed Property by the Authorized Improvements; (ii) have been levied based on the enhanced value of the Assessed Property as a result of the Authorized Improvements; (iii) have taken into consideration reasonable classifications and formulas to allocate the costs of the Authorized Improvements; (iv) impose equal shares of the costs of the Authorized Improvements on property similarly benefited; (v) are in amounts necessary to pay the costs of the Authorized Improvements; and (vi) will continue for the period of time necessary to retire the Bonds issued to construct the Authorized Improvements. The Town Council further finds and determines that the Assessed Property is benefited by the Authorized Improvements in an amount that equals or exceeds the Assessment against the Assessed Property and that the Assessment is otherwise just and equitable. The findings and determinations by the Town Council represent the discretionary exercise by the Town Council of its legislative and governmental authority and power.

Section 6. The City Council and the Landowner(s) intend for the obligations, covenants, and burdens on the landowners of the Assessed Property, including without limitation such Landowner(s)' obligations related to payment of the Assessments and the Annual Installments thereof, to constitute covenants running with the land. The Assessments and Annual Installments thereof which are levied hereby shall be binding upon the Landowner(s), as the owners of the Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. The Assessment shall have a lien priority as specified in the Service and Assessment Plan and the Act.

Section 7. This Ordinance incorporates by reference all provisions and requirements of the Act.

Section 8. If any section, article, paragraph, sentence, clause, phrase, or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the Town Council hereby declares it would have passed such remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 9. The Town Secretary is directed to cause a copy of this Ordinance, including the Assessment Roll for the District, to be recorded in the real property records of Denton County. Copies of the Service and Assessment Plan and any updates thereto may be obtained or viewed in the Town Secretary's Office located at Hickory Creek Town Hall, 1075 Ronald Reagan Avenue, Hickory Creek, TX 75065.

Section 10. This Ordinance shall take effect immediately from and after its passage and it is accordingly so ordained.

**PASSED, APPROVED AND ADOPTED** on JUNE 18, 2019.

ATTEST:

\_\_\_\_\_  
Lynn Clark; Mayor

\_\_\_\_\_  
Kristi Rogers; Town Secretary

[SEAL]

STATE OF TEXAS                   §  
   §  
COUNTY OF DENTON           §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2019 by Lynn Clark and Kristi Rogers, the Mayor and Town Secretary, respectively, of the Town of Hickory Creek, Texas on behalf of said Town.

(Notary Seal)

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Notary Public, State of Texas

## **EXHIBIT A**

### **HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN (see attached)**



# Hickory Farms Public Improvement District

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SERVICE AND ASSESSMENT PLAN  
JUNE 18, 2019



AUSTIN, TX | KELLER, TX

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## INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On May 21, 2019, the Town passed and approved Resolution No. 2019-0521-3 authorizing the creation of the District in accordance with the Act, which authorization was effective upon publication as required by the Act. The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 24.277 acres located within the corporate limits of the Town, as described legally by metes and bounds on **Exhibit A** and as depicted by the map on **Exhibit B**.

The Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the Town. The Assessment against each Assessed Property must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Assessment Roll is contained in **Exhibit F**.

## SECTION I: DEFINITIONS

**“Act”** means Chapter 372, Texas Local Government Code, as amended.

**“Actual Costs”** mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner of the District: (1) to plan, finance, design, acquire, construct, install, and dedicate such improvements to the Town and/or a political subdivision of the State of Texas; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities, including a 4% construction management fee. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

**“Additional Interest”** means the amount collected by application of the Additional Interest Rate.

**“Additional Interest Rate”** means the 0.50% interest charged on Assessments pursuant to Section 372.018 of the Act.

**“Administrator”** means the Town or the person or independent firm designated by the Town who shall have the responsibility provided in this Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Town related to the duties and responsibility of the administration of the District. The initial Administrator is P3Works, LLC.

**“Annual Collection Costs”** mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of PID Bonds, and the administration, operation, and maintenance of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, 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 the Assessment Roll and Annual Service Plan Updates; (5) issuing, paying, and

redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

**“Annual Installment”** means the annual installment payment of an Assessment as calculated by the Administrator and approved by the Town Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

**“Annual Service Plan Update”** means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the Town Council.

**“Assessed Property”** means any Parcel within the District against which an Assessment is levied.

**“Assessment”** means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the Act.

**“Assessment Ordinance”** means any ordinance adopted by the Town Council in accordance with the Act that levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

**“Assessment Plan”** means the methodology employed to assess the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements, more specifically described in **Section V**.

**“Assessment Roll”** means the assessment roll for the Assessed Property within the District and included in this Service and Assessment Plan as **Exhibit F**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

**“Authorized Improvements”** mean improvements authorized by Section 372.003 of the Act as more specifically described in **Section III** and depicted on **Exhibit H**.

**“County”** means Denton County, Texas.

**“District”** means the Hickory Farms Public Improvement District, consisting of approximately 24.277 acres within the corporate limits of the Town, as described by metes and bounds on **Exhibit A** and as depicted by the map on **Exhibit B**.

**“District Formation and Bond Issuance Costs”** mean the costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, Town costs, capitalized interest, reserve fund requirements, 1<sup>st</sup> year District administration reserves, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.

**“Indenture”** means an Indenture of Trust entered into in connection with the issuance of PID Bonds, as amended from time to time, between the Town and the Trustee setting forth terms and conditions related to the PID Bonds.

**“Initial Parcel”** means all of the area within the District as generally shown on **Exhibit B** and as described by metes and bounds in **Exhibit A** consisting of approximately 24.277 acres.

**“Lot”** means for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat.

**“Lot Type”** means a classification of final building Lots with similar characteristics (e.g. lot size, home product, buildout value, etc.), as determined by the Administrator and confirmed by the Town Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the estimated buildout value of the Lot as determined by the Administrator and confirmed by the Town Council.

**“Lot Type 1”** means a Lot designated as a 50’ x 109’ Lot on the concept plan attached as **Exhibit J**.

**“Lot Type 2”** means a Lot designated as a 60’ x 109’ Lot on the concept Plan attached as **Exhibit J**.

**“Maximum Assessment”** means (1) For Lot Type 1 Lots, \$32,103.09, and (2) For Lot Type 2 Lots, \$32,931.55. The calculation of the Maximum Assessment is shown on **Exhibit K**.

**“Notice of Assessment Termination”** means a recorded document evidencing the termination of an Assessment, a form of which is attached as **Exhibit I**.

**“Owner”** means MM Hickory Creek 24, LLC.

**“Parcel(s)”** means a property identified by either a tax map identification number assigned by the Denton Central Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means as determined by the Town.

**“PID Bonds”** mean bonds issued by the Town that are secured by Assessments levied on Assessed Property within the District.

**“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 Assessment are not to be considered a Prepayment, reasonably expected to be incurred by or imposed upon the County as a result of any Prepayment.

**“Prepayment Costs”** mean interest and Annual Collection Costs incurred up to the date of Prepayment.

**“Service and Assessment Plan”** means this Service and Assessment Plan, as it may be modified and updated from time to time.

**“Service Plan”** covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

**“Town”** means the Town of Hickory Creek, Texas.

**“Town Council”** means the governing body of the Town.

**“Trustee”** means the trustee (or successor trustee) under an Indenture.

## SECTION II: THE DISTRICT

The District includes approximately 24.277 acres within the Town, as described legally by metes and bounds on **Exhibit A** and as depicted by the map on **Exhibit B**. Development of the District is anticipated to include 130 single-family homes.

## SECTION III: AUTHORIZED IMPROVEMENTS

The Town, based on information provided by the Owner and its engineer and review by the Town staff and by third-party consultants retained by the Town, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town and/or Lake City Municipal Utility Authority (LCMUA). The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C**.

### Authorized Improvements

- *Street*

Improvements within the PID include connecting to Ronald Reagan Avenue and the construction on-site improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with the Town of Hickory Creek standards and specifications and will be owned and operated by the Town.

- *Water*

Improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with the Town, Lake City Municipal Utility Authority (LCMUA) and Texas Commission on Environmental Quality (TCEQ) standards and specifications and will be owned and operated by LCMUA.

- *Sanitary Sewer*

Improvements The sanitary sewer collection system improvements within consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property.



The sanitary sewer improvements will be designed and constructed in accordance the Town, LCMUA and TCEQ standards and specifications and will be owned and operated by LCMUA.

- *Storm Drainage*

Improvements collection system improvements consist of the construction of two (2) retention/detention pond, including excavation to a depth of 8-feet and the associated drainage improvements for each pond, reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with the Town standards and specifications and will be owned and operated by the Town.

- *Soft Costs*

Costs related to designing, constructing, and installing the Authorized Improvements including land planning and design, Town fees, engineering, soil testing, survey and construction management.

## **B. District Formation and Bond Issuance Costs**

- *Debt Service Reserve Fund*

Equals the amount required under the Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the capitalized interest payments on PID Bonds as reflected in the Indenture.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds plus a fee for underwriter's counsel.

- *Cost of Issuance*

Includes costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

- *District Formation*

Includes 1<sup>st</sup> year District administration reserves, costs and expenses directly associated with forming the District.

#### SECTION IV: SERVICE PLAN

The Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated each year in the Annual Service Plan Update. **Exhibit D** summarizes the Service Plan for the District.

**Exhibit E** summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit E** shall be updated each year in the Annual Service Plan Update.

#### SECTION V: ASSESSMENT PLAN

The Act allows the Town to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the Town, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the Town that results in imposing equal shares of such costs on property similarly benefited. The Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the Town of the assessment methodologies set forth below is the result of the discretionary exercise by the Town Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

### **A. Assessment Methodology**

The Town Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the Town staff and by third-party consultants retained by the Town, has determined that the Authorized Improvements shall be allocated entirely to the Initial Parcel.

### **B. Assessments**

Assessments will be levied on each Parcel within the District according to the Assessment Roll, attached hereto as **Exhibit F**. The projected Annual Installments of the District are shown on **Exhibit G**.

### **C. Findings 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 Town staff and by third-party consultants retained by the Town, has found and determined:

1. The costs of the Authorized Improvements plus District Formation and Bond Issuance Costs equal \$4,667,035 as shown on **Exhibit C**; and
2. The Assessed Property receives special benefit from the Authorized Improvements equal to or greater than the Actual Costs of the Authorized Improvements; and
3. The Assessed Property will be allocated 100% of the Assessments levied for the Authorized Improvements, which equal \$4,185,000. as shown on the Assessment Roll, attached as **Exhibit F**; and
4. The special benefit ( $\geq$  \$4,667,035) received by the Assessed Property from the Authorized Improvements is greater than the amount of Assessments (\$4,185,000) levied on the Authorized Improvements.
5. At the time the Town Council approved the Service and Assessment Plan, the Owner owned 100% of the Initial Parcel. The Owner acknowledged that the Authorized Improvements confer a special benefit on the Initial Parcel and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the Town Council as to the special benefits described herein and the Assessment Ordinance; (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of Assessments on the Initial Parcel.

### **D. Annual Collection Costs**

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessment remaining on the Assessed Property. The Annual Collection Costs shall be collected as part of an in the same manner as Annual Installments in the

amounts shown on the Assessment Roll, which may be revised in Annual Service Plan Updates based on Actual Costs incurred.

#### **E. Additional Interest**

The interest rate on Assessments levied on the Assessed Property may exceed the interest rate on the PID Bonds by the Additional Interest. Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the Indenture.

## **SECTION VI: TERMS OF THE ASSESSMENTS**

### **A. Reallocation of Assessments**

#### *1. Upon Division Prior to Recording of Subdivision Plat*

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the estimated buildout value of the newly divided Assessed Property

D = the sum of the estimated buildout value for all the newly divided Assessed Properties

The calculation of the buildout value of an Assessed Property shall be performed by the Administrator based on information from the Owner, homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the Town Council shall be conclusive.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the Town Council.

#### *2. Upon Subdivision by a Recorded Subdivision Plat*

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on buildout value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the estimated average buildout value of all newly subdivided Lots with same Lot Type

D = the sum of the estimated average buildout value for all the newly subdivided Lots excluding Non-Benefitted Property

E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the Town an estimated buildout value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the estimated average buildout value for a Lot shall be performed by the Administrator and confirmed by the Town Council based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the Town Council.

### *3. Upon Consolidation*

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the Town Council in the next Annual Service Plan Update.

## **B. Mandatory Prepayment of Assessments if Maximum Assessment Exceeded**

If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the Maximum Assessment, the owner must prepay the portion of the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

## **C. Mandatory Prepayment of Assessments if Transferred to Exempt Entity**

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments, the owner transferring the Assessed Property shall pay to the Town or the Administrator on behalf of the Town the full amount of the Assessment, plus Additional Interest, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefitted Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Additional Interest, prior to the change in status.

## **D. Reduction of Assessments**

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, the Assessments shall be reduced on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs. The resulting excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update and submit to the Town Council for review and approval as part of the next Annual Service Plan Update the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

## **E. Prepayment of Assessments**

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the Act. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with interest to the date of Prepayment: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the Town Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the Town shall provide the owner with a recordable Notice of Assessment Termination, a form of which is attached as **Exhibit I**.

If an Assessment is paid in part, with interest to the date of Prepayment: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the

Administrator shall prepare the revised Assessment Roll and submit to the Town Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced.

#### **F. Payment of Assessment in Annual Installments**

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G** shows the projected Annual Installments for the District. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the Town Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced in accordance with the Indenture, taking into account capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the Town in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the Act and in the same manner as ad valorem taxes for the Town. The Town Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the Annual Installments as they become due and payable.

The Town reserves the right to refund PID Bonds in accordance with the Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the PID Bonds shall be due when billed and shall be delinquent if not paid by January 31, 2020.

## **SECTION VII: ASSESSMENT ROLL**

The Assessment Roll is attached as **Exhibit F**. The Administrator shall prepare and submit to the Town Council for review and approval, proposed revisions to the Assessment Roll and Annual Installments for each Parcel as part of each Annual Service Plan Update

## **SECTION VIII: ADDITIONAL PROVISIONS**

### **A. Calculation Errors**

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1<sup>st</sup> of each year following Town Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator 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 an error has been made. If the Town Council determines that an error has been made, the Town Council may take such corrective action as is authorized by the Act, this Service and Assessment Plan, the Assessment Ordinance, or the 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.

### **B. Amendments**

Amendments to this Service and Assessment Plan must be made by the Town Council in accordance with the Act. To the extent permitted by the Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

### **C. Administration and Interpretation**

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the Town Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and



shall be appealable to the Town Council by owners or Owners adversely affected by the interpretation. Appeals shall be decided by the Town Council after holding a public hearing at which all interested parties have an opportunity to be heard. Decisions by the Town Council shall be final and binding on the owners and Owners and their successors and assigns.

#### **D. Severability**

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

## LIST OF EXHIBITS

<b>Exhibit A</b>	District Legal Description
<b>Exhibit B</b>	District Boundary Map
<b>Exhibit C</b>	Authorized Improvements
<b>Exhibit D</b>	Service Plan
<b>Exhibit E</b>	Sources and Uses
<b>Exhibit F</b>	Assessment Roll
<b>Exhibit G</b>	Annual Installments
<b>Exhibit G-1</b>	Lot Type 1 Annual Installments
<b>Exhibit G-2</b>	Lot Type 2 Annual Installments
<b>Exhibit H</b>	Map of Authorized Improvements
<b>Exhibit I</b>	Notice of Assessment Termination
<b>Exhibit J</b>	Concept Plan
<b>Exhibit K</b>	Maximum Assessment Calculation

## EXHIBIT A – DISTRICT LEGAL DESCRIPTION

BEING a 24.277 acre tract of land situated in the H.H. SWISHER SURVEY, ABSTRACT NO. 1220, Denton County, Texas and being part of that certain tract of land described in a Gift Deed to Ronald Edwin Brown, Sherry Headrick, Rudy Brown, and Teddy Brown, recorded in Volume 4508, Page 703 of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described as follows;

BEGINNING at a brass monument found for the Northwest corner of the Enclave of Hickory Creek, an addition to the Town of Hickory Creek, Denton County, Texas according to the plat thereof recorded in Document No. 2013- 198, of the Plat Records of Denton County, Texas, also being in the south line of said Brown tract, also being the northeast corner of a called 3.2515 acre tract of land described to the Town of Hickory Creek, Texas in Special Warranty Deed recorded in Instrument Number 2011-119348, Official Records of Denton County, Texas, (ORDCT);

Thence South 89°48'16" West along the common line of said Brown tract and said 3.2515 acre tract, a distance of feet to a brass monument found for the southwest corner of said Brown tract, also being an angle point in said 3.2515 acre tract and being in the east line of a called 37.4620 acre tract of land described to Alan Harvey Goldfield and Shirley Mae Goldfield in Special Warranty Deed recorded in Instrument Number 2013-58239, (ORDCT);

Thence North 01°14'49" West, with the common line of said Brown tract and said 37.4620 acre tract, passing at a distance of 29.88 feet, a 1/2-inch iron rod found for an angle point in said 3.2515 acre tract, continuing for a total distance of 433.98 feet to a brass disk found for an angle point;

Thence North 00°23'16" West, continuing with the common line of said Brown tract and said 37.4620 acre tract, a distance of 368.26 feet to a 5/8-inch iron rod found for the northwest corner of said Brown tract;

THENCE North 89°41'22" East, with the north line of said Brown tract, passing at a distance of 1296.28 feet a 1/2" iron rod found in the west right of way line of Ronald Reagan Avenue (a variable width Public Right-of-Way at this point), continuing in all a total of 1308.08 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the northeast corner of said 24.277 acre tract;

THENCE South 01°57'32" East, a distance of 802.22 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the southeast corner of said 24.277 acre tract, also being in the north line of said Enclave of Hickory Creek, also being in the north line of a 30 foot right-of-way dedicated by said Enclave of Hickory Creek plat;

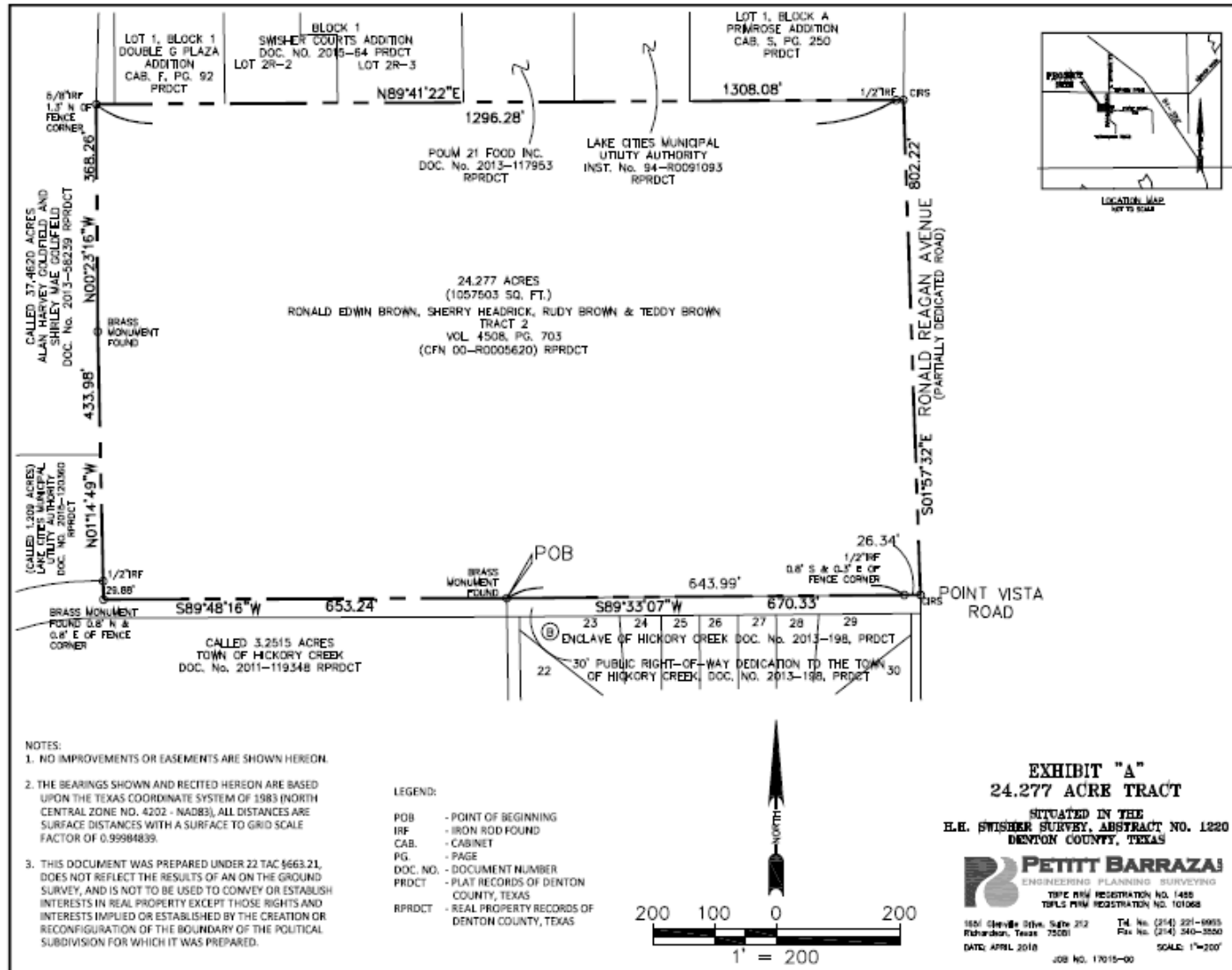
THENCE South 89°33'07" West, with the common line of said Brown tract and said Enclave of Hickory Creek, passing at a distance of 26.34 feet a 1/2-inch iron rod found, continuing in all a total distance of 670.33 feet to the POINT OF BEGINNING, and containing 24.277 acres of land, more or less.

### NOTES:

1. THE BEARINGS SHOWN AND RECITED HEREON ARE BASED UPON THE TEXAS COORDINATE SYSTEM OF 1983 (NORTH CENTRAL ZONE NO. 4202 - NAD83), ALL DISTANCES ARE SURFACE DISTANCES WITH A SURFACE TO GRID SCALE FACTOR OF 0.99984839.

2. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

## EXHIBIT B – DISTRICT BOUNDARY MAP



## EXHIBIT C – AUTHORIZED IMPROVEMENTS

	Total Costs		Hickory Farms PID		Non-PID (Private)	
			%	Cost	%	Cost
<b>Authorized Improvements</b>						
Street <sup>1</sup>	\$	1,760,939	73.94%	\$ 1,302,039	26.06%	\$ 458,900
Water		735,850	100.00%	735,850	0.00%	-
Sanitary Sewer		351,972	100.00%	351,972	0.00%	-
Storm Drainage		493,221	100.00%	493,221	0.00%	-
Soft Costs and Contingency <sup>2</sup>		726,430	83.44%	606,103	16.56%	120,327
	\$	4,068,412		\$ 3,489,185		\$ 579,227
<b>PID Formation and Bond Issuance Costs</b>						
Debt Service Reserve Fund	\$	299,000		\$ 299,000		\$ -
Capitalized Interest	\$	460,350		460,350		-
Underwriter Discount	\$	125,550		125,550		-
Cost of Issuance	\$	292,950		292,950		-
	\$	1,177,850		\$ 1,177,850		\$ -
<b>Total</b>	<b>\$</b>	<b>5,246,262</b>		<b>\$ 4,667,035</b>		<b>\$ 579,227</b>

**Notes:**

- 1) Lot preparation, retaining walls, and franchise utilities are included in Street Improvements, but are not allocable to the District.
- 2) Material testing is included in Soft Costs, but is not allocable to the District.

## EXHIBIT D – SERVICE PLAN

Installments Due		1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024
Principal		\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
Interest		225,294	225,294	225,294	225,294	221,263
Capitalized Interest		(230,175)	(197,567)	-	-	-
Reserve Fund Interest Accrued		\$ (4,511)	\$ (4,511)	\$ (4,511)	\$ (4,511)	\$ (4,511)
	(1)	\$ (9,392)	\$ 23,216	\$ 220,783	\$ 295,783	\$ 291,752
Annual Collection Costs	(2)	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473
Additional Interest Reserve	(3)	\$ 20,925	\$ 20,925	\$ 20,925	\$ 20,925	\$ 20,550
<b>Annual Installment</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$ 41,533</b>	<b>\$ 74,741</b>	<b>\$ 272,920</b>	<b>\$ 348,544</b>	<b>\$ 344,775</b>

## EXHIBIT E – SOURCES AND USES

Sources of Funds		
Par Bond Amount	\$	4,185,000
Developer Contribution		482,035
Developer Contribution - Private Costs (a)		579,227
<b>Total Sources</b>	<b>\$</b>	<b>5,246,262</b>

Uses of Funds		
<i>Authorized Improvements</i>		
Hickory Farms PID	\$	3,489,185
Non-PID (Private)		579,227
	\$	4,068,412
<i>District Formation and Bond Issuance Costs</i>		
Debt Service Reserve Fund	\$	299,000
Capitalized Interest		460,350
Underwriter Discount		125,550
Cost of Issuance		292,950
	\$	1,177,850
<b>Total Uses</b>	<b>\$</b>	<b>5,246,262</b>

Notes:

(a) Private Developer Contribution is non-reimbursable, and the Developer will not be required to put up a cash contribution for private costs.



## EXHIBIT F – ASSESSMENT ROLL

Parcel ID	Hickory Farms PID	
	Outstanding Assessment	Annual Installment Due 1/31/2020 <sup>1</sup>
Initial Parcel	\$ 4,185,000.00	\$ 41,533.00
<b>Total</b>	<b>\$ 4,185,000.00</b>	<b>\$ 41,533.00</b>

*Notes:*

1) Net of Capitalized Interest.

## EXHIBIT G – ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2019 (b)	\$ -	\$ 31,917	\$ -	\$ 2,964	\$ (32,608)	\$ (639)	\$ 1,634
2020	\$ -	\$ 225,294	\$ 30,000	\$ 20,925	\$ (230,175)	\$ (4,511)	\$ 41,533
2021	\$ -	\$ 225,294	\$ 30,600	\$ 20,925	\$ (197,567)	\$ (4,511)	\$ 74,741
2022	\$ -	\$ 225,294	\$ 31,212	\$ 20,925	\$ -	\$ (4,511)	\$ 272,920
2023	\$ 75,000	\$ 225,294	\$ 31,836	\$ 20,925	\$ -	\$ (4,511)	\$ 348,544
2024	\$ 75,000	\$ 221,263	\$ 32,473	\$ 20,550	\$ -	\$ (4,511)	\$ 344,775
2025	\$ 80,000	\$ 217,231	\$ 33,122	\$ 20,175	\$ -	\$ (4,511)	\$ 346,017
2026	\$ 85,000	\$ 212,931	\$ 33,785	\$ 19,775	\$ -	\$ (4,511)	\$ 346,980
2027	\$ 90,000	\$ 208,363	\$ 34,461	\$ 19,350	\$ -	\$ (4,511)	\$ 347,663
2028	\$ 95,000	\$ 203,525	\$ 35,150	\$ 18,900	\$ -	\$ (4,511)	\$ 348,064
2029	\$ 100,000	\$ 198,419	\$ 35,853	\$ 18,425	\$ -	\$ (4,511)	\$ 348,186
2030	\$ 105,000	\$ 193,044	\$ 36,570	\$ 17,925	\$ -	\$ (4,511)	\$ 348,028
2031	\$ 110,000	\$ 187,400	\$ 37,301	\$ 17,400	\$ -	\$ (4,511)	\$ 347,590
2032	\$ 115,000	\$ 181,488	\$ 38,047	\$ 16,850	\$ -	\$ (4,511)	\$ 346,874
2033	\$ 120,000	\$ 175,306	\$ 38,808	\$ 16,275	\$ -	\$ (4,511)	\$ 345,878
2034	\$ 130,000	\$ 168,856	\$ 39,584	\$ 15,675	\$ -	\$ (4,511)	\$ 349,604
2035	\$ 135,000	\$ 161,869	\$ 40,376	\$ 15,025	\$ -	\$ (4,511)	\$ 347,759
2036	\$ 140,000	\$ 154,613	\$ 41,184	\$ 14,350	\$ -	\$ (4,511)	\$ 345,636
2037	\$ 150,000	\$ 147,088	\$ 42,007	\$ 13,650	\$ -	\$ (4,511)	\$ 348,234
2038	\$ 160,000	\$ 139,025	\$ 42,847	\$ 12,900	\$ -	\$ (4,511)	\$ 350,261
2039	\$ 165,000	\$ 130,425	\$ 43,704	\$ 12,100	\$ -	\$ (4,511)	\$ 346,718
2040	\$ 175,000	\$ 121,556	\$ 44,578	\$ 11,275	\$ -	\$ (4,511)	\$ 347,898
2041	\$ 185,000	\$ 112,150	\$ 45,470	\$ 10,400	\$ -	\$ (4,511)	\$ 348,509
2042	\$ 195,000	\$ 102,206	\$ 46,379	\$ 9,475	\$ -	\$ (4,511)	\$ 348,549
2043	\$ 205,000	\$ 91,725	\$ 47,307	\$ 8,500	\$ -	\$ (4,511)	\$ 348,021
2044	\$ 220,000	\$ 80,706	\$ 48,253	\$ 7,475	\$ -	\$ (4,511)	\$ 351,923
2045	\$ 230,000	\$ 68,881	\$ 49,218	\$ 6,375	\$ -	\$ (4,511)	\$ 349,963
2046	\$ 240,000	\$ 56,519	\$ 50,203	\$ 5,225	\$ -	\$ (4,511)	\$ 347,436
2047	\$ 255,000	\$ 43,619	\$ 51,207	\$ 4,025	\$ -	\$ (4,511)	\$ 349,340
2048	\$ 270,000	\$ 29,913	\$ 52,231	\$ 2,750	\$ -	\$ (4,511)	\$ 350,383
2049	\$ 280,000	\$ 15,400	\$ 53,275	\$ 1,400	\$ -	\$ (305,217)	\$ 44,858
<b>Total</b>	<b>\$ 4,185,000</b>	<b>\$ 4,556,614</b>	<b>\$ 1,217,042</b>	<b>\$ 422,889</b>	<b>\$ (460,350)</b>	<b>\$ (436,675)</b>	<b>\$ 9,484,520</b>

(a) Interest is calculated at a 5.50% rate.

(b) Payment due 1/31/2019 including Interest and Additional Interest will be paid by proceeds from bond closing.

*Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

## EXHIBIT G-1 – LOT TYPE 1 ANNUAL INSTALLMENTS

Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2019 (b)	\$ -	\$ 245	\$ -	\$ 23	\$ (250)	\$ (5)	\$ 13
2020	\$ -	\$ 1,728	\$ 230	\$ 161	\$ (1,766)	\$ (35)	\$ 319
2021	\$ -	\$ 1,728	\$ 235	\$ 161	\$ (1,516)	\$ (35)	\$ 573
2022	\$ -	\$ 1,728	\$ 239	\$ 161	\$ -	\$ (35)	\$ 2,094
2023	\$ 575	\$ 1,728	\$ 244	\$ 161	\$ -	\$ (35)	\$ 2,674
2024	\$ 575	\$ 1,697	\$ 249	\$ 158	\$ -	\$ (35)	\$ 2,645
2025	\$ 614	\$ 1,666	\$ 254	\$ 155	\$ -	\$ (35)	\$ 2,654
2026	\$ 652	\$ 1,633	\$ 259	\$ 152	\$ -	\$ (35)	\$ 2,662
2027	\$ 690	\$ 1,598	\$ 264	\$ 148	\$ -	\$ (35)	\$ 2,667
2028	\$ 729	\$ 1,561	\$ 270	\$ 145	\$ -	\$ (35)	\$ 2,670
2029	\$ 767	\$ 1,522	\$ 275	\$ 141	\$ -	\$ (35)	\$ 2,671
2030	\$ 805	\$ 1,481	\$ 281	\$ 138	\$ -	\$ (35)	\$ 2,670
2031	\$ 844	\$ 1,438	\$ 286	\$ 133	\$ -	\$ (35)	\$ 2,666
2032	\$ 882	\$ 1,392	\$ 292	\$ 129	\$ -	\$ (35)	\$ 2,661
2033	\$ 921	\$ 1,345	\$ 298	\$ 125	\$ -	\$ (35)	\$ 2,653
2034	\$ 997	\$ 1,295	\$ 304	\$ 120	\$ -	\$ (35)	\$ 2,682
2035	\$ 1,036	\$ 1,242	\$ 310	\$ 115	\$ -	\$ (35)	\$ 2,668
2036	\$ 1,074	\$ 1,186	\$ 316	\$ 110	\$ -	\$ (35)	\$ 2,651
2037	\$ 1,151	\$ 1,128	\$ 322	\$ 105	\$ -	\$ (35)	\$ 2,671
2038	\$ 1,227	\$ 1,066	\$ 329	\$ 99	\$ -	\$ (35)	\$ 2,687
2039	\$ 1,266	\$ 1,000	\$ 335	\$ 93	\$ -	\$ (35)	\$ 2,660
2040	\$ 1,342	\$ 932	\$ 342	\$ 86	\$ -	\$ (35)	\$ 2,669
2041	\$ 1,419	\$ 860	\$ 349	\$ 80	\$ -	\$ (35)	\$ 2,673
2042	\$ 1,496	\$ 784	\$ 356	\$ 73	\$ -	\$ (35)	\$ 2,674
2043	\$ 1,573	\$ 704	\$ 363	\$ 65	\$ -	\$ (35)	\$ 2,670
2044	\$ 1,688	\$ 619	\$ 370	\$ 57	\$ -	\$ (35)	\$ 2,700
2045	\$ 1,764	\$ 528	\$ 378	\$ 49	\$ -	\$ (35)	\$ 2,685
2046	\$ 1,841	\$ 434	\$ 385	\$ 40	\$ -	\$ (35)	\$ 2,665
2047	\$ 1,956	\$ 335	\$ 393	\$ 31	\$ -	\$ (35)	\$ 2,680
2048	\$ 2,071	\$ 229	\$ 401	\$ 21	\$ -	\$ (35)	\$ 2,688
2049	\$ 2,148	\$ 118	\$ 409	\$ 11	\$ -	\$ (2,341)	\$ 344
<b>Total</b>	<b>\$ 32,103</b>	<b>\$ 34,954</b>	<b>\$ 9,336</b>	<b>\$ 3,244</b>	<b>\$ (3,531)</b>	<b>\$ (3,350)</b>	<b>\$ 72,756</b>

(a) Interest is calculated at a 5.50% rate.

(b) Payment due 1/31/2019 including Interest and Additional Interest will be paid by proceeds from bond closing.

*Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

## EXHIBIT G-2 – LOT TYPE 2 ANNUAL INSTALLMENTS

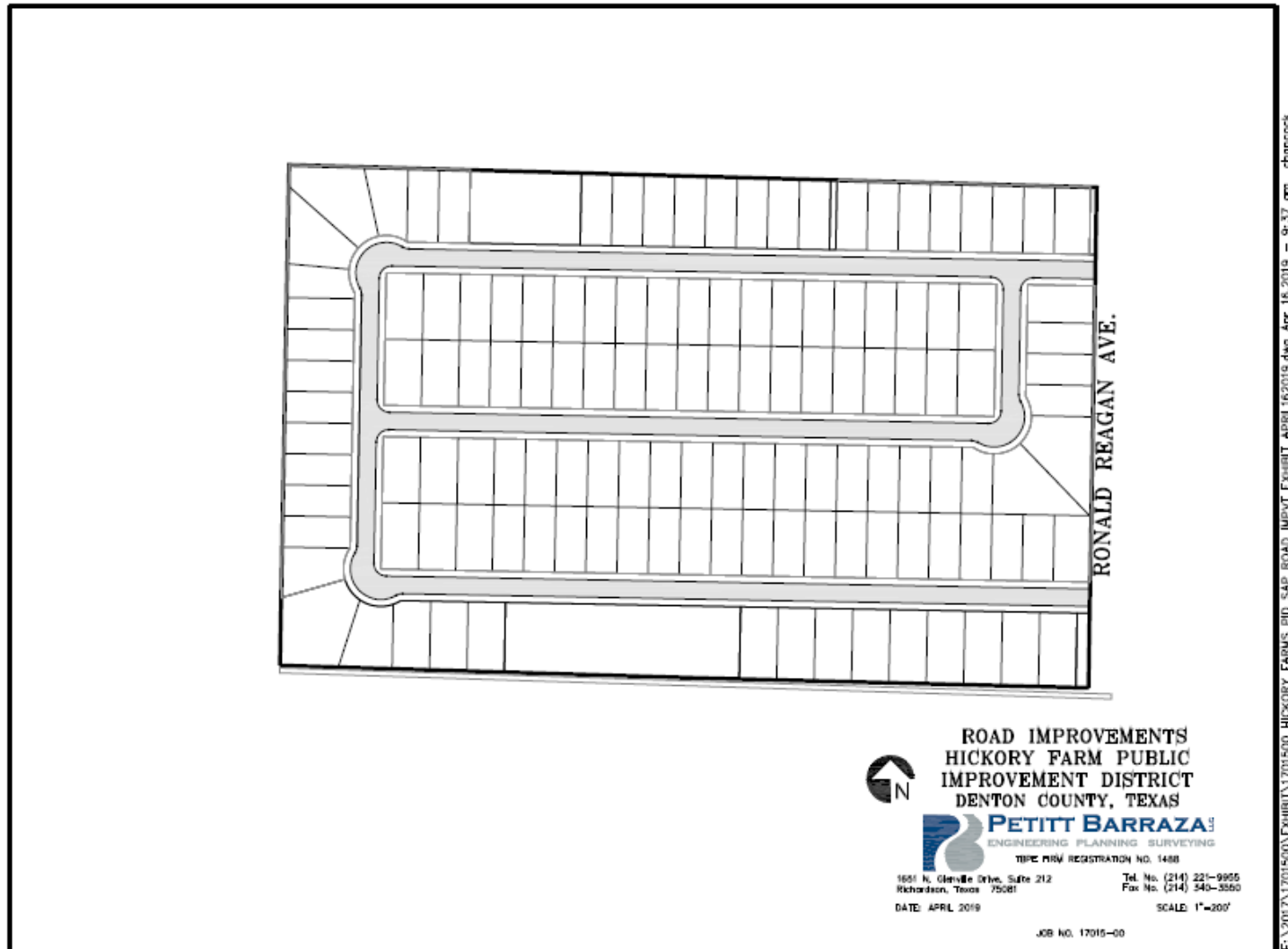
Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2019 (b)	\$ -	\$ 251	\$ -	\$ 23	\$ (257)	\$ (5)	\$ 13
2020	\$ -	\$ 1,773	\$ 236	\$ 165	\$ (1,811)	\$ (35)	\$ 327
2021	\$ -	\$ 1,773	\$ 241	\$ 165	\$ (1,555)	\$ (35)	\$ 588
2022	\$ -	\$ 1,773	\$ 246	\$ 165	\$ -	\$ (35)	\$ 2,148
2023	\$ 590	\$ 1,773	\$ 251	\$ 165	\$ -	\$ (35)	\$ 2,743
2024	\$ 590	\$ 1,741	\$ 256	\$ 162	\$ -	\$ (35)	\$ 2,713
2025	\$ 630	\$ 1,709	\$ 261	\$ 159	\$ -	\$ (35)	\$ 2,723
2026	\$ 669	\$ 1,676	\$ 266	\$ 156	\$ -	\$ (35)	\$ 2,730
2027	\$ 708	\$ 1,640	\$ 271	\$ 152	\$ -	\$ (35)	\$ 2,736
2028	\$ 748	\$ 1,602	\$ 277	\$ 149	\$ -	\$ (35)	\$ 2,739
2029	\$ 787	\$ 1,561	\$ 282	\$ 145	\$ -	\$ (35)	\$ 2,740
2030	\$ 826	\$ 1,519	\$ 288	\$ 141	\$ -	\$ (35)	\$ 2,739
2031	\$ 866	\$ 1,475	\$ 294	\$ 137	\$ -	\$ (35)	\$ 2,735
2032	\$ 905	\$ 1,428	\$ 299	\$ 133	\$ -	\$ (35)	\$ 2,730
2033	\$ 944	\$ 1,379	\$ 305	\$ 128	\$ -	\$ (35)	\$ 2,722
2034	\$ 1,023	\$ 1,329	\$ 311	\$ 123	\$ -	\$ (35)	\$ 2,751
2035	\$ 1,062	\$ 1,274	\$ 318	\$ 118	\$ -	\$ (35)	\$ 2,736
2036	\$ 1,102	\$ 1,217	\$ 324	\$ 113	\$ -	\$ (35)	\$ 2,720
2037	\$ 1,180	\$ 1,157	\$ 331	\$ 107	\$ -	\$ (35)	\$ 2,740
2038	\$ 1,259	\$ 1,094	\$ 337	\$ 102	\$ -	\$ (35)	\$ 2,756
2039	\$ 1,298	\$ 1,026	\$ 344	\$ 95	\$ -	\$ (35)	\$ 2,728
2040	\$ 1,377	\$ 957	\$ 351	\$ 89	\$ -	\$ (35)	\$ 2,738
2041	\$ 1,456	\$ 883	\$ 358	\$ 82	\$ -	\$ (35)	\$ 2,742
2042	\$ 1,534	\$ 804	\$ 365	\$ 75	\$ -	\$ (35)	\$ 2,743
2043	\$ 1,613	\$ 722	\$ 372	\$ 67	\$ -	\$ (35)	\$ 2,739
2044	\$ 1,731	\$ 635	\$ 380	\$ 59	\$ -	\$ (35)	\$ 2,769
2045	\$ 1,810	\$ 542	\$ 387	\$ 50	\$ -	\$ (35)	\$ 2,754
2046	\$ 1,889	\$ 445	\$ 395	\$ 41	\$ -	\$ (35)	\$ 2,734
2047	\$ 2,007	\$ 343	\$ 403	\$ 32	\$ -	\$ (35)	\$ 2,749
2048	\$ 2,125	\$ 235	\$ 411	\$ 22	\$ -	\$ (35)	\$ 2,757
2049	\$ 2,203	\$ 121	\$ 419	\$ 11	\$ -	\$ (2,402)	\$ 353
<b>Total</b>	<b>\$ 32,932</b>	<b>\$ 35,856</b>	<b>\$ 9,577</b>	<b>\$ 3,328</b>	<b>\$ (3,622)</b>	<b>\$ (3,436)</b>	<b>\$ 74,633</b>

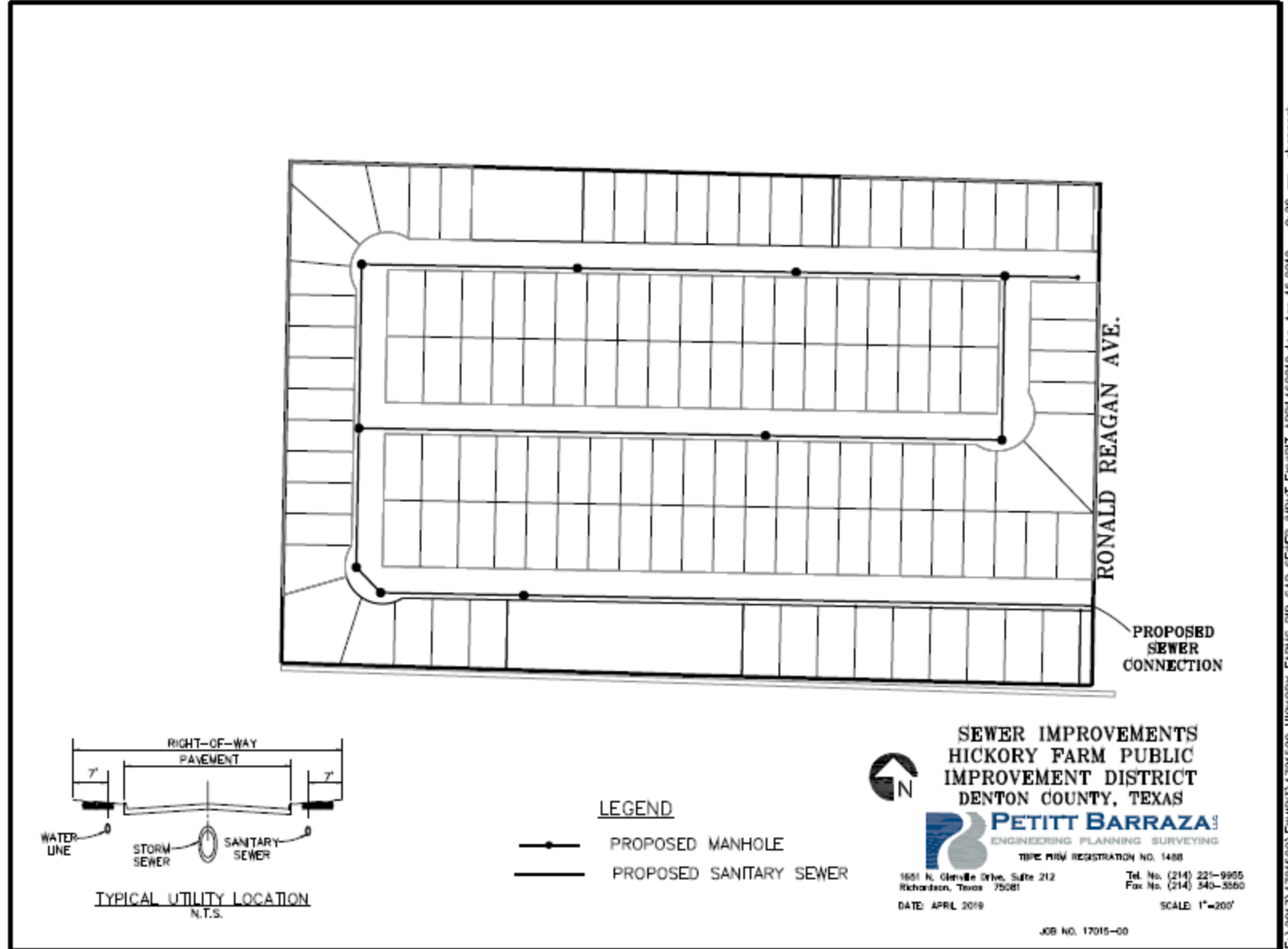
(a) Interest is calculated at a 5.50% rate.

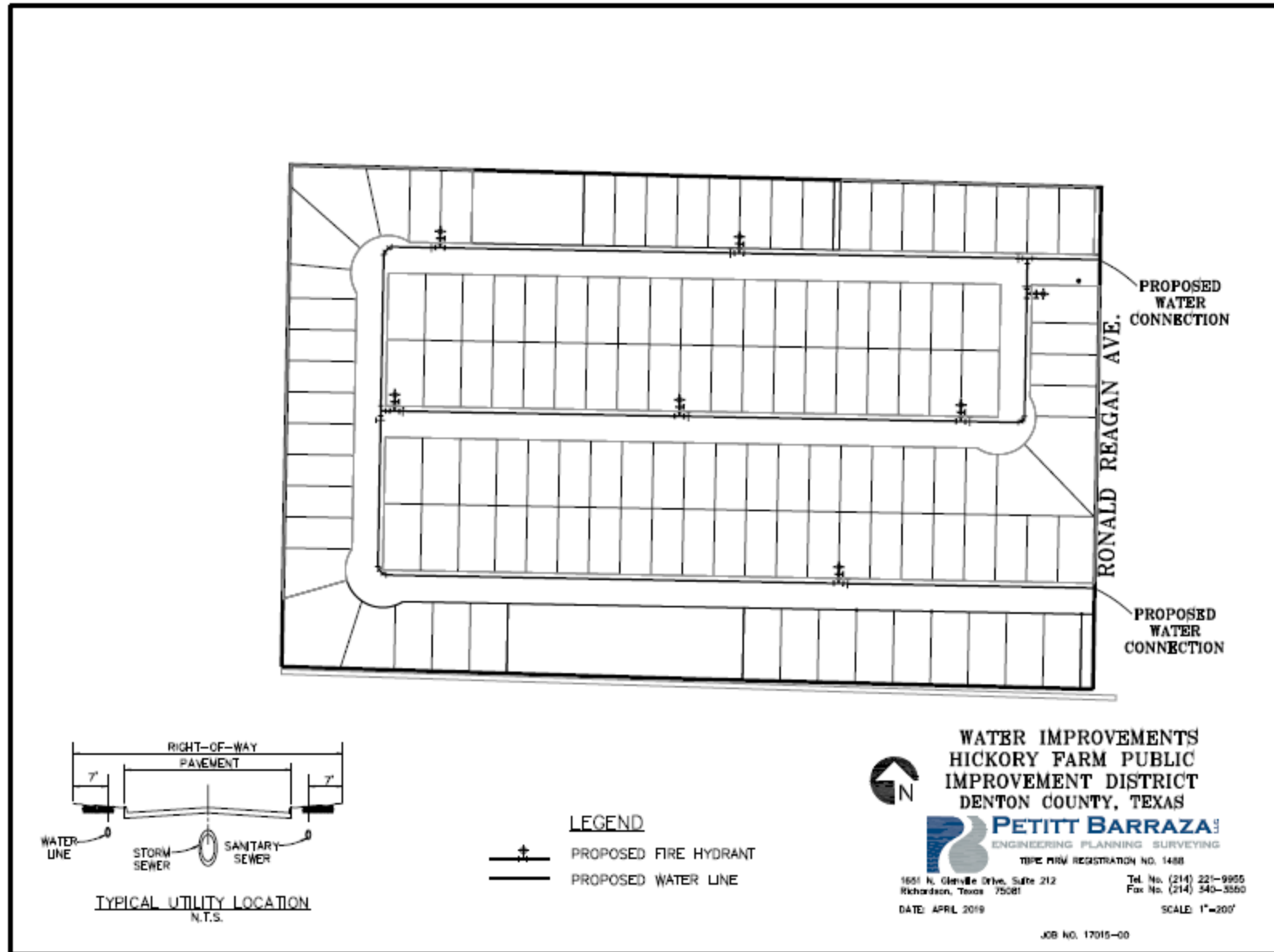
(b) Payment due 1/31/2019 including Interest and Additional Interest will be paid by proceeds from bond closing.

*Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

## EXHIBIT H – MAP OF AUTHORIZED IMPROVEMENTS







F:\2017\1701500\EXHIBIT\1701500 HICKORY FARMS PID SAP WATER IMPVT EXHIBIT APR162019.dwg Apr 16, 2019 - 9:34 am charcock

## EXHIBIT I – NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC  
350 Rufe Snow Drive, Suite 200  
Keller, TX 76248

[Date]  
Denton County Clerk's Office  
Honorable [County Clerk Name]  
Denton County Courts Building  
1450 East McKinney St, Denton, TX 76209

**Re:                      Town of Hickory Creek Lien Release Documents for Filing**

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the Town of Hickory Creek is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents below:

Town of Hickory Creek  
Attn: [Town Secretary]  
1075 Ronald Reagan Ave  
Hickory Creek, TX 75065

Please contact me if you have any questions or need additional information.

Sincerely,  
[Signature]

P3Works, LLC  
P: (817) 393-0353  
admin@p3-works.com



**[Town Secretary Name]  
1075 Ronald Reagan Ave  
Hickory Creek, TX 75065**

# FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

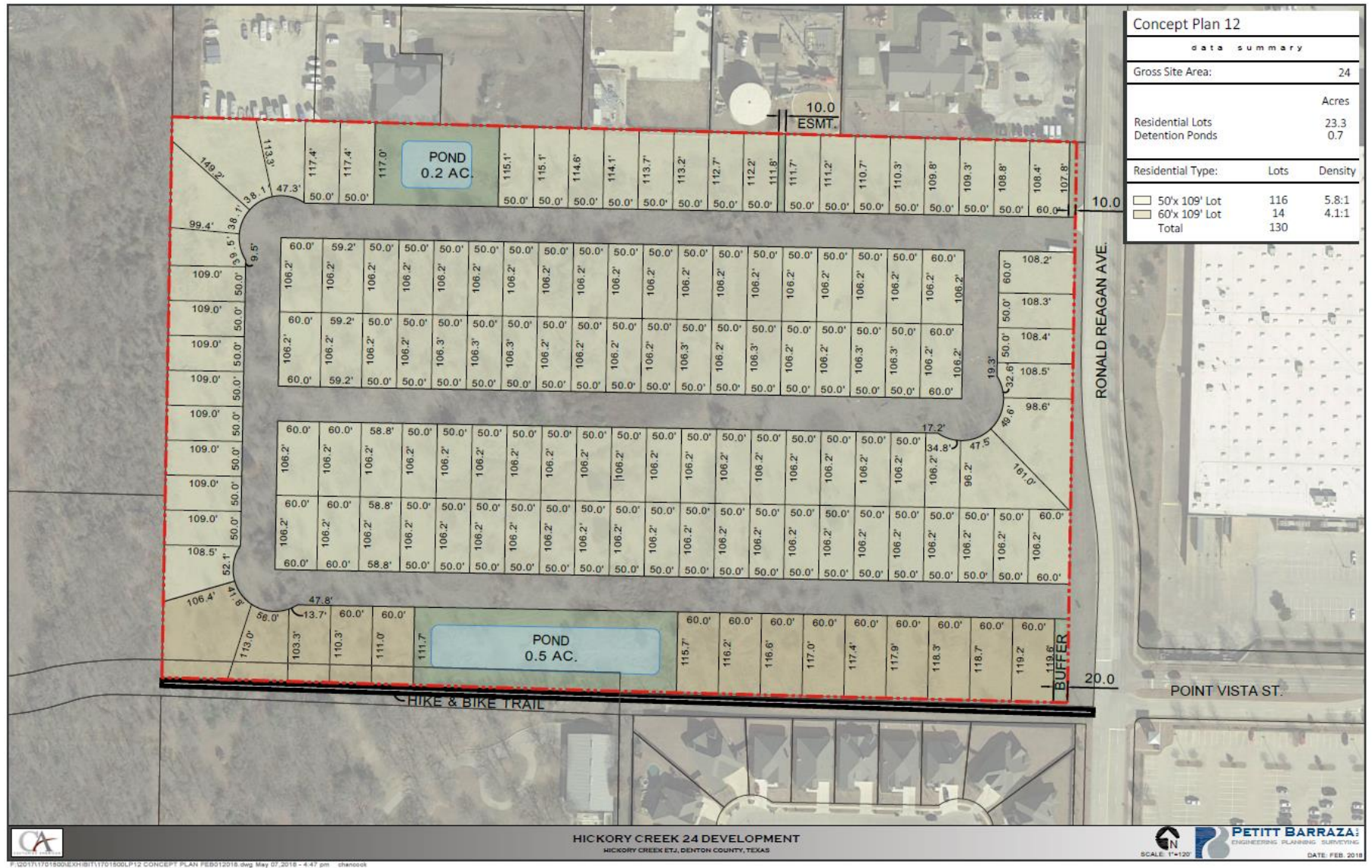
**STATE OF TEXAS** §  
**KNOW ALL MEN BY THESE PRESENTS:** §  
**COUNTY OF DENTON** §

## RECITALS

**WHEREAS**, on or about \_\_\_\_\_, the Town Council approved Ordinance No. \_\_\_\_\_, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Hickory Farms Public Improvement District; and



## EXHIBIT J - CONCEPT PLAN



## EXHIBIT K – MAXIMUM ASSESSMENT CALCULATION

Lot Type	Units <sup>1</sup>	Estimated AV Per Unit <sup>1</sup>	Total Assessed Value	Allocation of Assessments	Total Assessment	Maximum Assessment Per Unit
<b>Hickory Farms PID</b>						
Lot Type 1 (50')	116	\$ 348,750	\$ 40,455,000	88.98%	\$ 3,723,958	\$ 32,103
Lot Type 2 (60')	14	\$ 357,750	\$ 5,008,500	11.02%	\$ 461,042	\$ 32,932
	130		\$ 45,463,500	100.00%	\$ 4,185,000	

*Notes:*

1) As reported by the Owner.

**Item Attachment Documents:**

11. Consider and act on a Hickory Farms Public Improvement District Construction, Funding, and Acquisition Agreement.

**HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT CONSTRUCTION,  
FUNDING, AND ACQUISITION AGREEMENT**

**THIS HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT** (this “Agreement”), dated as of June 18, 2019, is by and between **TOWN OF HICKORY CREEK, TEXAS**, a general law municipality of the State of Texas (the “Town”), and **MM HICKORY CREEK 24, LLC**, a Texas limited liability company (the “Developer”).

**ARTICLE I  
DEFINITIONS**

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

“**Act**” means Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” means, with respect to each Authorized Improvement, the amount of money expended or incurred for the labor, material, equipment and other construction costs actually paid for the Authorized Improvement.

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

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

“**Authorized Improvement(s)**” means the Authorized Improvements as defined in the Service and Assessment Plan and as listed in **Exhibit A** attached hereto. An individual Authorized Improvement, including a completed segment or part, shall be referred to as an Authorized Improvement.

“**Bond Ordinance**” means Ordinance No. \_\_\_\_\_, adopted by the Town Council on June 18, 2019 authorizing the issuance of the Bonds.

“**Bonds**” mean the Town’s bonds designated "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District Project)".

“**Budgeted Costs**” means the costs shown on **Exhibit A** attached hereto.



**“Certificate for Payment”** means a certificate, substantially in the form as attached to the Indenture or otherwise agreed to by the Developer, Administrator and the Town Representative, executed by an engineer, construction manager or other person or entity acceptable to the Town, as evidenced by the signature of a Town Representative specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment from the Improvement Account of the Project Fund and/or the Developer Improvement Account of the Project Fund for Actual Costs of Authorized Improvements that are the subject of the Certificate for Payment.

**“Town Representative”** means the Mayor or Town Administrator as authorized by the Town Council to undertake the action referenced herein.

**“Closing Disbursement Request”** means the certificate, substantially in the form as attached to the Indenture or otherwise agreed to by the Developer, Administrator, and the Town, executed by an engineer, construction manager or other person or entity acceptable to the Town, as evidenced by the signature of a Town Representative, specifying the amounts to be disbursed for costs of issuance of the Bonds and costs related to administration and operation of the District.

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

**“Cost”** means the Budgeted Costs or the Actual Cost of an Authorized Improvement as reflected in a Construction Contract.

**“Cost Overrun”** means, with respect to each Authorized Improvement, the amount of the Actual Cost paid for the Authorized Improvement in excess of the Budgeted Cost for such Authorized Improvement as provided for in **Exhibit A**.

**“Developer Improvement Account”** means the account in the Project Fund established pursuant to Section 6.1 of the Indenture.

**“Development Agreement”** means the Hickory Farms Development Agreement effective April 2, 2019, executed by the Town and Centurion American Acquisitions, LLC, and as assigned to the Developer pursuant to an Assignment of Developer’s Interest in Hickory Farms Development Agreement, dated March 25, 2019.

**“District”** means the Hickory Farms Public Improvement District.

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

**“Improvement Account”** means the account in the Project Fund established pursuant to Section 6.1 of the Indenture.

**“Indenture”** means that certain Indenture of Trust between the Town and U.S. Bank National Association, as trustee, dated as of July 1, 2019 relating to the Bonds.

**“Inspector”** means the Town’s consulting engineer or other individual authorized by the Town whose job is, in part or in whole, to inspect infrastructure for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

**“LCMUA”** means the Lake Cities Municipal Utility Authority.

**"PID Bond Proceeds"** means the revenue generated from the sale of Bonds.

**“Plans”** mean the plans, specifications, schedules and related Construction Contracts for the Authorized Improvements, respectively, approved pursuant to the applicable standards and directives of the Town or LCMUA, as applicable, the Development Agreement, and any other applicable governmental entity.

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

**“Service and Assessment Plan”** means the Hickory Farms Service and Assessment Plan adopted by Ordinance No. \_\_\_\_\_ on June 18, 2019 by the Town Council, prepared pursuant to the Act.

**“Supplement”** means a written document agreed upon and executed by the parties to this Agreement amending, supplementing or otherwise modifying this Agreement and any exhibit hereto, including any amendments to the list of Authorized Improvements in **Exhibit A** in a manner consistent with the Service and Assessment Plan, the Act, the Bond Ordinance, the Indenture, and this Agreement.

## **ARTICLE II**

### **RECITALS**

#### **Section 2.01. The District and the Authorized Improvements.**

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

(b) The Town has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance a portion of the Authorized Improvements allocable to the District (as defined in the Indenture).

(c) It is anticipated that there shall be a single issuance of bonds for the District.



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

(e) The Developer shall perform or cause to be performed the engineering, construction and development of the Authorized Improvements for acquisition and acceptance by the Town or LCMUA, as applicable.

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

### **ARTICLE III FUNDING**

#### **Section 3.01. Bonds.**

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

(b) The Bonds will finance the Budgeted Costs of the Authorized Improvements unless the Actual Costs are less than the Budgeted Costs, as shown in the Service and Assessment Plan, Exhibit C, in which case the Town will finance the Actual Costs. The payment of Costs from the PID Bond Proceeds for such Authorized Improvements shall be made from the Improvement Account of the Project Fund under the Indenture.

(c) The Town's obligation with respect to the payment of the Authorized Improvements shall be limited to the Budgeted Costs or to the Actual Costs if the Actual Costs are less than Budget Costs. Such Costs shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns for Authorized Improvements, as qualified, however, by the distribution of cost underrun monies, as detailed in Section 4.04 below.

(d) The Town shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment. Any such loss may diminish the amounts available in the Project Fund to pay the Costs of the Authorized Improvements in the District, including the Developer to the extent it owns any real property in the District. The obligation of a property owner to pay Assessments is not in any way dependent on the availability of amounts in the Project Fund to pay for all or any portion of the Costs of the Authorized Improvements hereunder.

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

Section 3.02. Security for Authorized Improvements. Prior to Final Completion and conveyance to the Town or LCMUA, as applicable, of an Authorized Improvement, including a segment, section or portion thereof, the Developer shall provide to the Town or LCMUA, as applicable, a maintenance bond in the amount of 100% of the value of each Authorized Improvement constructed by Developer, which maintenance bond shall be for a term of two years from the date of final acceptance of such Authorized Improvement. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas. The Developer shall construct or cause to construct the Authorized Improvements in accordance with the Town established ordinances, regulations, specifications, and the Development Agreement. The Developer shall, however, provide an "all bills paid" affidavit, when submitting a Certificate for Payment, in the standard form, as provided by the Town, and shall also provide such supporting documentation as required by the Town, that affirms that all invoices and bills were paid for the Authorized Improvements.

#### **ARTICLE IV**

### **DEDICATION OF LAND AND CONSTRUCTION OF AUTHORIZED IMPROVEMENTS**

#### Section 4.01. Duty of Developer to Construct.

(a) All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of the Authorized Improvements to be acquired and accepted by the Town or LCMUA from the Developer as provided in this Agreement and the Development Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Authorized Improvement and, upon completion, inspection, and acceptance,

convey each such Authorized Improvement to the Town or LCMUA, as applicable, in accordance with the terms hereof, even if there are insufficient funds in the Improvement Account of the Project Fund to pay the Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Authorized Improvements required in connection with the development of the land within the District.

Section 4.02. Competitive Bidding. Authorized Improvements are anticipated to be exempt from competitive bidding pursuant to Texas Local Government Code Section 252.022(a)(9) and 252.022(a)(11) based upon current cost estimates. In the event that the Costs for the Authorized Improvements do not meet the parameters for exemption from the competitive bid requirement, then either competitive bidding or alternative delivery methods may be utilized by the Town as allowed by law, but in any event Developer shall be responsible for any resulting Cost Overruns.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the Town or LCMUA with respect to the Authorized Improvements.

Section 4.04. Remaining Funds After Completion of an Authorized Improvement. Upon the Final Completion of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, if the Actual Cost of such Authorized Improvement is less than the Budgeted Cost (a "Cost Underrun"), any remaining Budgeted Cost will be available to pay Cost Overruns on any other Authorized Improvement. The Town Representative shall promptly confirm that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the Town Representative will agree how to use such moneys to secure the payment and performance of the work for other Authorized Improvements. Any Cost Underrun for any Authorized Improvement is available to pay Cost Overruns on any other Authorized Improvement.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "Change Orders") required for the construction of an Authorized Improvement. Developer or its contractors may approve and implement any Change Orders even if such Change Order would increase the Cost of an Authorized Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 4.04.

## **ARTICLE V**

### **ACQUISITION, CONSTRUCTION, AND PAYMENT**

Section 5.01. Closing Disbursement Request. The Town and the Developer agree that from the PID Bond Proceeds and upon the presentation of evidence satisfactory to the Town and the Town's financial consultants and attorneys, the Town will cause the Trustee to pay, at closing of the Bonds, monies from the accounts created within the Project Fund, to the persons entitled to the payment for costs of issuance of the Bonds and payment of costs incurred in the establishment, administration, and operation of the District at of the date of delivery of the Bonds, as described in the Service and Assessment Plan and the Indenture. In order to receive the disbursement described in this section, the Developer shall cause to be delivered to the Trustee a Closing Disbursement Request, substantially in the form as attached to the Indenture or otherwise agreed to by the Developer, Administrator, and the Town Representative for the disbursements. To be valid, the Town must sign and agree to such Closing Disbursement Request.

Section 5.02. Certificate for Payment for the Authorized Improvements.

- (a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Authorized Improvement, until a Certificate for Payment is delivered by the Developer to the Town with a copy to the Administrator the Town's bond counsel and the Town's general counsel. Upon receipt of a Certificate for Payment substantially in the form attached to the Indenture (and all accompanying documentation executed by the Town) from the Developer, the Inspector (for a Town owned Authorized Improvement) shall conduct a review in order to confirm that such request is complete, that the work with respect to such Authorized Improvement identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certificate for Payment (collectively, the "Developer Compliance Requirements"). The approval of the Certificate for Payment by the Inspector shall constitute a representation by the Inspector to the Town and the Trustee that the Developer Compliance Requirements have been satisfied with respect to the Authorized Improvement identified therein. The Inspector shall also conduct such review as is required in his discretion to confirm the matters certified in the Developer Compliance Requirements. The Developer agrees to cooperate with the Inspector in conducting each such review and to provide the Inspector with such additional information and documentation as is reasonably necessary for the Inspector to conclude each such review.
- (b) Within ten (10) business days of receipt of any Certificate for Payment, the Inspector shall (i) approve and execute the Certificate for Payment and forward the same to the



Town for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the Inspector disapproves the Certificate for Payment, give written notification to the Developer of the Inspector's disapproval, in whole or in part, of such Certificate for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certificate for Payment. If a Certificate for Payment seeking reimbursement is approved only in part, the Inspector shall specify the extent to which the Certificate for Payment is approved and shall deliver such partially approved Certificate for Payment to the Administrator for approval in accordance with Section 5.03(a) hereof and delivery to the Developer in accordance with Section 5.02(c) hereof, and any such work shall be processed for payment under Section 5.03 notwithstanding such partial denial.

(c) If the Inspector fails to act with respect to a Certificate for Payment within the time period therein provided, the Developer shall submit the Certificate for Payment directly to the Town Representative for approval. Within five (5) business days of receipt of any Certificate for Payment, the Town Representative shall approve or deny the Certificate for Payment, and provide notice to the Administrator and Developer. Upon approval of a Certificate for Payment, the Town shall forward the approval to the Trustee for payment, and delivery to the Developer in accordance with Section 5.03 hereof. The approval of the Certificate for Payment by the Town Representative shall constitute a representation by the Town Representative to the Trustee of the Developer's compliance therein. Pursuant to the terms of Section 5.03 and the Indenture, the Trustee shall make a payment to the Developer, or pursuant to the Developer's directions, of an approved Certificate for Payment.

(d) If the Town Representative denies the Certificate for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the Town Council within thirty (30) days of being denied.

(e) The Town shall deliver the approved or partially approved Certificate for Payment to the Trustee for payment and the Trustee shall make such payment from the Project Fund in accordance with Section 5.03 below.

#### Section 5.03. Payment for Authorized Improvement.

(a) Authorized Improvement.

- i. Upon receipt of a reviewed and approved Certificate for Payment, the Trustee shall make payment from the following funds: (1) first from the Improvement Account of the Project Fund; then (2) from the Developer Improvement Account of the Project Fund, as applicable, of such approved Certificate for Payment pursuant to the terms of the Certificate for Payment and the Indenture in an amount not to exceed the lesser of the Actual Cost or Budgeted Cost for the particular Authorized Improvement (or its

completed segment, section or portion thereof and subject to the application of cost underruns, as provided for in this Agreement).

- ii. Notwithstanding any other provisions of this Agreement, the Trustee shall make payment directly to the Developer or the general contractor or supplier of materials or services, or jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certificate for Payment. If an unconditional lien release related to the items referenced in the Certificate for Payment is attached to such Certificate for Payment, the Trustee shall make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials unconditional lien release for a portion of the work covered by a Certificate for Payment, the Trustee will make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

- iii. Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the Town from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the Town with respect thereto so long as such delay in performance shall not subject the Authorized Improvement to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to an Authorized Improvement is contested, the Developer shall be required to post or cause the delivery of a surety bond in an amount determined by the Town.

## **ARTICLE VI**

### **OWNERSHIP AND TRANSFER OF AUTHORIZED IMPROVEMENT**

Section 6.01. Authorized Improvement to be Owned by the Town or LCMUA – Title Evidence. The Developer shall furnish to the Town a preliminary title report for land with respect to Authorized Improvements to be acquired and accepted by the Town from the Developer and not previously dedicated or otherwise conveyed to the Town, for review and approval at least thirty (30) calendar days prior to the transfer of title of an Authorized Improvement to the Town. The Town shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the Town, could materially affect the Town's use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the Town does not approve the preliminary title report, the Town shall not be obligated to accept title or provide for

any maintenance related to an Authorized Improvement until the Developer has cured such objections to title to the satisfaction of the Town.

Section 6.02. Authorized Improvement Constructed on Town Land or Developer Land. If an Authorized Improvement is on land owned by the Town, the Town hereby grants to the Developer a temporary easement to enter upon such land for purposes related to construction and maintenance (pending acquisition and acceptance of the facilities by the Town) of an Authorized Improvement. If an Authorized Improvement is on land owned by the Developer, the Developer hereby grants to the Town a permanent access and maintenance easement to enter upon such land for purposes related to inspection and maintenance of the Authorized Improvement. The grant of said permanent easement shall not relieve the Developer of any obligation to grant the Town or LCMUA title to property and/or easements related to Authorized Improvements as required in the Development Agreement or as should in the Town's reasonably judgment be granted to provide for convenient access to and routine and emergency maintenance of such Authorized Improvement. The provisions for inspection and acceptance of such Authorized Improvement otherwise provided herein and in the Development Agreement shall apply.

## **ARTICLE VII REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the Town as follows:

(a) Organization. The Developer consists of one limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands of the Developer in the District or the Authorized Improvements in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District, the Authorized Improvements or one or more of the Authorized Improvements.



(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Improvement Account of the Project Fund and/or the Developer Improvement Account of the Project Fund for the acquisition or construction of any improvements that are not part of the Authorized Improvements, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certificate for Payments.

(f) Financial Records. For a period of two years after completion of the Authorized Improvements, the Developer covenants to maintain proper books of record and account for the construction of the Authorized Improvements and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the Town or its agent at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the Town and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Authorized Improvements and other Authorized Improvements constructed by the Developer have been or will be constructed in full compliance with such Plans and any Change Orders thereto consistent with the Act and the Development Agreement and that the Developer shall supply the Town with complete as-built plans upon Final Completion of each Authorized Improvement or other Authorized Improvement constructed by the Developer.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the purchaser of the Bonds or the Town Representative related to the status of construction of improvements within the District, the anticipated completion dates for future improvements and any other matter that the Purchaser of the Bonds or Town Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The Town will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the "Tax Certificate") containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, "Bond Proceeds").

The Developer covenants to provide, or cause to be provided, such facts and estimates as the Town reasonably considers necessary to enable it to execute and deliver its Tax Certificate.



The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Authorized Improvements) that would cause any of the covenants or agreements of the Town contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. The Developer shall assume the defense of, and indemnify by reason of, or resulting from the breach of any provision of this Agreement and shall hold harmless the Inspector, the Town, employees, officials, officers, representatives and agents of the Town, and each of them (each an “Indemnified Party”), from and against all actions, damages, claims, losses or expense of every type and description to which they may be subjected or put, by reason of, or resulting from the breach of any provision of this Agreement by the Developer, the negligent design, engineering and/or construction by the Developer or any architect, engineer or contractor hired by the Developer of any of the Authorized Improvements, the Developer’s nonpayment under contracts between the Developer and its consultants, engineers, advisors, contractors, subcontractors and suppliers in the provision of the Authorized Improvements, or any claims of Persons employed by the Developer or its agents to construct such projects. Notwithstanding the foregoing, no indemnification is given hereunder for any action, damage, claim, loss or expense directly attributable to the willful misconduct or gross negligence of any Indemnified Party.

Section 7.03. Use of Monies by Town; Changes to Indenture. The Town agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Authorized Improvements, the Town agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Authorized Improvements is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer is or may be increased or otherwise adversely affected in any manner, or (c) the rights of the Developer is or may be modified, limited, restricted or otherwise adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

## **ARTICLE VIII TERMINATION**

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the Town and the Developer, in which event the Town may either execute contracts for or perform any remaining work related to the Authorized Improvements not accepted by the Town or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Authorized Improvement hereunder, except as otherwise may be provided in such written consent.

Section 8.02. Town's Election for Cause.

(a) The Town, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event occurs, the Town shall give written notice of its knowledge of a breach of any material covenant thereof to the Developer, and the Developer agrees to meet and confer with the Inspector and other appropriate Town staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Authorized Improvement. Such options may include, but not be limited to, the termination of this Agreement by the Town. If the Town elects to terminate this Agreement, the Town shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the Town to receive such notice) of the grounds for such termination and allow the Developer a minimum of 45 days to eliminate or mitigate to the satisfaction of the Town the grounds for such termination. Such period may be extended, at the reasonable discretion of the Town, if the Developer, to the reasonable satisfaction of the Town, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the Town, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the Town, the Town may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the Town related to the Authorized Improvement undertaken prior to the termination date of this Agreement solely from the Improvement Account of the Project Fund and the Developer Improvement Account of the Project Fund created and established under the Indenture according to the terms and conditions set forth in this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material

obligation hereunder, notice of which has been given by the Town to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the Town may in its discretion cause the Trustee to cease making payments for the Actual Costs of the Authorized Improvements, provided that the Developer shall receive payment of the Actual Costs of any Authorized Improvement that was accepted by the Town at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement.

(c) If this Agreement is terminated by the Town for cause, the Town may either execute contracts for or perform any remaining work related to the Authorized Improvement not accepted by the Town and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Authorized Improvement hereunder, except as otherwise may be provided upon the mutual written consent of the Town and the Developer.

Section 8.03. Construction of the Authorized Improvements Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Authorized Improvements in accordance with the terms of this Agreement and the Development Agreement.

Section 8.04. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted), then the specified time for performance shall be extended by the amount of the delay actually so caused.

## **ARTICLE IX MISCELLANEOUS**

Section 9.01. Limited Liability of Town. The Developer agrees that any and all obligations of the Town arising out of or related to this Agreement are special obligations of the Town, and the Town's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the Town, the Inspector nor any other Town employee, official, officer, representative or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The Inspector or a finance officer of the Town shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, full postage prepaid, addressed as follows:

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

With a copy to:                Hayes, Berry, White & Vanzant, L.L.P.  
Attn: Lance Vanzant  
512 West Hickory, Suite 100  
Denton, Texas 76201

To the Developer:            MM Hickory Creek 24, LLC.  
Attn: Mehrdad Moayed  
1800 Valley View Lane, Suite 300  
Farmers Branch, TX 75234

With a copy to:                Miklos Cinclair, PLLC  
Attn: Robert Miklos  
1800 Valley View Lane, Suite 360  
Farmers Branch, Texas 75234

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The Town shall advise the Developer of the name and address of any Inspector who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.



Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the Town pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the Town. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer, without prior written consent of the Town Administrator, which consent shall not be unreasonably withheld, except pursuant to a collateral assignment to any Person providing construction financing to the Developer for the Developer for the Authorized Improvements, provided such Person expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Authorized Improvements. In connection with any consent of the Town, the Town may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee's express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the Town deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned and shall not be effective until approved by the Town, where such approval is required. The Town may assign by a separate writing certain rights hereunder to the Trustee as described in this Agreement and the Indenture and the Developer hereby consents to such assignment. Despite the foregoing language in the section, the Developer may not make any assignment in connection with or for the direct or indirect purpose of securing bonds or other indebtedness or financing by receivables or revenues to be received under this Agreement, the Development Agreement or the Indenture.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the Town's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a direct conflict between this Agreement and the Development Agreement, the Development Agreement shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the Town and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and

agreements in this Agreement contained by or on behalf of the Town or the Developer shall be for the sole and exclusive benefit of the Town and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, this Agreement may be amended, from time to time in a manner consistent with the Act and the Ordinance, by written supplement hereto mutually executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date (as defined in the Indenture) of the issuance of Bonds as defined in the related Indenture, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the issuance of Bonds as defined in the related Indenture.

[the remainder of this page intentionally left blank]

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of this the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

ATTEST:

\_\_\_\_\_

Name: Kristi Rogers  
Title: Town Secretary

**TOWN OF HICKORY CREEK**

By: \_\_\_\_\_

Name: Lynn Clark  
Title: Mayor

APPROVED AS TO FORM

\_\_\_\_\_

Name: Lance Vanzant  
Title: Town Attorney


[Signature Page of CFA]

**DEVELOPER:**

MM Hickory Creek 24, LLC,  
a Texas limited liability company

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

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

By:   
Name: Mehrdad Moayedi  
Its: Manager

[Signature Page of CFA]



**Exhibit A**

List of Authorized Improvements and Budgeted Costs

<b>Authorized Improvements</b>	<b>Budgeted Costs</b>
Street	\$1,302,039
Water	\$735,850
Sanitary Sewer	\$351,972
Storm Drainage	\$493,221
Soft Costs and Contingency	\$606,103
<b>Total</b>	<b>\$3,489,185</b>

**Item Attachment Documents:**

12. Consider and act on an ordinance authorizing the issuance of the "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District)"; 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.

## **CERTIFICATE FOR ORDINANCE**

THE STATE OF TEXAS  
DENTON COUNTY  
TOWN OF HICKORY CREEK

We, the undersigned officers of the Town of Hickory Creek (the "Town"), hereby certify as follows:

1. The Town Council of the Town (the "Town Council") convened in a regular meeting on June 18, 2019, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of the Town Council, to wit:

Lynn Clark; Mayor	Paul Kenney; Place 4, Mayor Pro Tem
Tracee Elrod; Place 1	Richard DuPree; Place 2
Chris Gordon; Place 3	Ian Theodore; Place 5

and all of said persons were present except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written ordinance entitled

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "TOWN OF HICKORY CREEK, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)"; 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

was duly introduced for the consideration of the Town Council. It was then duly moved and seconded that said Ordinance be passed; and, after due discussion, said motion, carrying with it the passage of said Ordinance, prevailed and carried, with all members of the Town Council shown present above voting "Aye," except as noted below:

NAYS: \_\_\_\_\_

ABSTENTIONS: \_\_\_\_\_

2. A true, full, and correct copy of the aforesaid Ordinance passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Ordinance has been duly recorded in the Town Council's minutes of said meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Town Council's minutes of said meeting pertaining to the passage of said Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Town Council as indicated therein; that each of the officers and members of the Town Council was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that said Ordinance would be introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given all as required by the Texas Government Code, Chapter 551.

3. The Town Council has approved and hereby approves the Ordinance; and the Mayor and Town Secretary hereby declare that their signing of this certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED ON JUNE 18, 2019.

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Kristi Rogers  
Town Secretary

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Lynn C. Clark  
Mayor

(TOWN SEAL)

**TOWN OF HICKORY CREEK, TEXAS**  
**ORDINANCE NO. 2019-06-\_\_**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "TOWN OF HICKORY CREEK, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)"; 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 (the "PID Act"), has previously established the "Hickory Farms Public Improvement District" (the "District"); and

WHEREAS, pursuant to the PID Act, the Town Council of the Town (the "Town Council") published notice of the assessment hearing in a newspaper of general circulation in the Town, and such public meeting was convened on June 18, 2019 and the Town Council adopted the Assessment Ordinance (Ordinance No. [\_\_\_\_]) levying special assessments against property within the District (the "Assessment Ordinance"); and

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

WHEREAS, the Town 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 2019 (Hickory Farms Public Improvement District)" (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 of the Authorized Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the Town Council has found and determined to approve (i) the issuance of the Bonds for costs of the Authorized Improvements 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 underwriter of the Bonds, (iv) a Limited Offering Memorandum (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 the costs of the Authorized Improvements, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture"), dated as of July 1, 2019, 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. Limited Offering Memorandum. The form and substance of the final Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto (the "Limited Offering Memorandum") are hereby in all respects approved and adopted. The Limited Offering Memorandum, 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 Limited Offering Memorandum and Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The Preliminary Limited Offering Memorandum is deemed final, within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as of its date, except for the omission of information specified in Section (b)(1) of Rule 15c2-12, as permitted by Section (b)(1) of Rule 15c2-12. The Town hereby approves the distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in the reoffering of the Bonds by the Underwriter, and the use and distribution of the Preliminary Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and confirmed. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Town Council, the Town Council is not responsible for and proclaims no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum 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 HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc. 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 Administrator 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 Administrator 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**

Attached

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**INDENTURE OF TRUST**

By and Between

**TOWN OF HICKORY CREEK, TEXAS**

and

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

**DATED AS OF JULY 1, 2019**

**SECURING**

**[\$Par Amount]**

**TOWN OF HICKORY CREEK, TEXAS  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019  
(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)**

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## **INDENTURE OF TRUST**

THIS INDENTURE, dated as of July 1, 2019, is by and between the TOWN OF HICKORY CREEK, TEXAS (the "Town"), and U.S. BANK NATIONAL ASSOCIATION, in Dallas, Texas, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, on April 4, 2019, a petition (the "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 Farms Public Improvement District" (the "PID" or "District"); and

WHEREAS, the Petition contained the signatures of the owners of taxable real property representing more than fifty percent (50%) 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 (50%) of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on April 16, 2019, the Town Council of the Town (the "Town Council") adopted Resolution No. 2019-04-[] accepting the Petition and calling a public hearing on the creation of the District on May 21, 2019; and

WHEREAS, on May 21, 2019, after due notice, 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 May 21, 2019, the Town Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. [] adopted by 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 No. [], the Town published notice of its authorization of the District in a newspaper of general circulation in the Town and in a newspaper of general circulation in the extraterritorial jurisdiction of 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 twenty days after the date of publication of such notice; and

WHEREAS, on May 21, 2019, the City Council by Resolution No. [] made findings and determinations relating to the costs of certain Authorized Improvements and received and accepted a preliminary service and assessment plan and proposed assessment roll, called a public hearing for June 18, 2019 to consider an ordinance levying assessments on property located within the District, and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish such notice as required by Section 372.016(b) of the PID Act relating to the June 18,

2019 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 and in a newspaper of general circulation in the extraterritorial 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 June 18, 2019 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 Authorized Improvements 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 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 Authorized Improvements 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, 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 Authorized Improvements Costs, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds; 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 2019 (Hickory Farms Public Improvement District)" (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 PID Act.

"*Administrative Expenses*" mean the actual or reasonably estimated costs permitted in accordance with the PID Act related to the expense of collection of Assessments and/or Annual Installments, including, but not limited to, the following: the costs of collecting the Assessments and/or Annual Installments (whether by the County, Town or otherwise); the costs of remitting the Assessments and/or Annual Installments to the Town, Trustee or other applicable financial institution, the costs of the County, Town, Administrator, Trustee and/or other applicable financial institution, including legal counsel and all associated fees and related expenses, in the discharge of the duties required of it under the Indenture or other applicable agreement; and the costs of the Town or designee in complying with the disclosure requirements of the PID Act and/or other applicable federal and State laws, including, but not limited to, public inquiries regarding the Assessments and/or Annual Installments. Administrative Expenses shall also include amounts incurred or advances by the Town for any administrative purpose of the PID including, but not limited to, the costs of preparing the Annual Service Plan Update, including the updated Assessment Roll, computing Assessment payoff amounts, recording of any notices related to the payoff, discharge or satisfaction of any Assessment; and the reasonable fees and related expense of legal counsel to the Town incurred in connection with all of the foregoing.

"*Administrative Expenses*" mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of PID Bonds, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, 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 PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Administrative Expenses collected but not expended in any year shall be carried forward and applied to reduce Administrative Expenses for subsequent years.

*"Administrative Fund"* means the Fund established pursuant to Section 6.1 and administered pursuant to Section 6.9.

*"Administrator"* means the Town or the person or independent firm designated by the Town who shall have the responsibility provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the Town related to the duties and responsibility 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 (excluding interest paid from funds on deposit in the Capitalized Interest Account of the Bond Fund), assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

*"Annual Installment"* means, with respect to the Assessed Property, each annual payment of: (i) the Assessment (including the principal of and interest on), as shown on the Assessment Roll attached to the SAP as Exhibit F, as the same may be updated from time to time, or in an Annual Service Plan Update, and calculated as provided in Section VI(f) and Exhibit G of the SAP, (ii) Administrative Expenses, and (iii) Additional Interest.

*"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 Parcel within the District against which an Assessment is levied.

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

*"Assessment Ordinance"* means Ordinance No. [] adopted by the Town Council on [June 18], 2019, 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 Assessment Roll included in the SAP as Exhibit F, as the same may be updated, modified or amended from time to time in accordance with the procedures set forth in the SAP and in the PID Act including with any Annual Service Plan Update.

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

"*Authorized Denomination*" means \$25,000 and any integral multiple of \$5,000 in excess thereof. The Town prohibits any Bond to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$25,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Authorized Improvements*" means, collectively, the public improvements to be financed with the proceeds of the Bonds, as listed as the "Authorized Improvements" in Section III and Exhibit C in the SAP.

"*Authorized Improvements Cost*" means, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developer: (1) to plan, finance, design, acquire, construct, install, and dedicate such improvements to the Town; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities, including a 4% construction management fee. Authorized Improvements Costs shall not include general contractor's fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

"*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. 2019-[] adopted by the Town Council on [June 18], 2019 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 2019 (Hickory Farms Public Improvement District)" 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.

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

"*Certificate for Payment*" means a certificate substantially in the form of ***Exhibit A*** hereto, executed by the Developer (or an engineer, construction manager or other person or entity acceptable to the Town acting on behalf of the Developer) and approved by the Town Representative that is delivered to the Town Representative and the Trustee specifying the amount of work performed and the Authorized Improvements Costs thereof, and requesting payment for such Authorized Improvements 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.

"*Closing Disbursement Request*" means a certificate substantially in the form of ***Exhibit B*** hereto, executed by the Developer (or an engineer, consultant, construction manager or other person or entity acceptable to the Town acting on behalf of the Developer) and approved by the Town Representative that is delivered to the Town Representative and the Trustee specifying the costs incurred in the establishment, administration, and operation of the District as of the Closing Date, and requesting payment for such costs from money on deposit in the Project Fund as further described in Section 6.5(b) of this Indenture.

"*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.

"*Construction, Funding, and Acquisition Agreement*" means the Construction, Funding, and Acquisition Agreement by and between the Town and the Developer, dated as of [], 2019, as may be amended and/or supplemented from time to time which provides, in part, for the construction and maintenance of the Authorized Improvements, the issuance of bonds, the

payment or reimbursement of Authorized Improvements Costs not paid from the Project Fund and other matters related thereto.

*"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 5.5% of the principal amount of the then Outstanding Bonds to be funded from the Additional Interest portion of the Assessment Revenues deposited to the Pledged Revenue Fund.

*"Delinquent Collection Costs"* means interest, penalties and expenses incurred or imposed with respect to any delinquent Assessment, or an Annual Installment thereof, in accordance with the PID Act which includes the costs related to pursuing collection of such delinquent Assessment, or an Annual Installment thereof, and the costs related to foreclosing the lien against the Assessed Property, including attorney's fees to the extent permitted under Applicable Law, and costs and expenses related to the foreclosure of liens.

*"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, which shall initially be located in Dallas, Texas, 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 MM Hickory Creek 24, LLC, a Texas limited liability company, and its successors and assigns.

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

*"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 Authorized Improvements 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 each March 1 and September 1, commencing September 1, 2019.

"*Investment Securities*" means those authorized investments determined by the Town and described in the Public Funds Investment Act, Chapter 2256, Texas 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, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.10.

"*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 U.S. Bank National Association, Dallas, Texas, a national banking association duly organized and validly existing under the laws of the United State of America, serving solely in the capacity of paying agent/registrar, 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 (but excluding the Developer Improvement Account), the Reserve Fund, and the Redemption Fund.

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

*"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, and any Annual Installments in excess of the amounts required to be deposited into the Pledged Revenue Fund pursuant to Section 6.3 of this Indenture), (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. Pledged Revenues do not include the money held in the Rebate Fund and the Administrative Fund.

*"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 represents 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, Administrative Expenses, any applicable Delinquent Collection Costs, and expenses to the date of Prepayment, plus any additional expenses related to the Prepayment allowed by applicable law, reasonably expected to be incurred by or imposed upon the 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 fifteenth calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

"*Redemption Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6.

"*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.

"*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 [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(d); and provided further that as a result of (A) a mandatory sinking fund redemption pursuant to Section 4.2; (B) an optional redemption pursuant to Section 4.3 or (C) 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. As of the Closing Date, the Reserve Account Requirement is \$[] which is an amount equal to the Reserve Account Requirement defined above.

"*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 update 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 Directive*" means a certificate containing written instructions, signed by the Town Representative, certifying that the Trustee is authorized to take action specified in the Town Directive, a form of which is attached hereto as Exhibit C.

"*Town Representative*" means, individually, the Mayor and Town Administrator (or another official or agent of the Town subsequently designated in writing as a Town Representative) which are 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, in Dallas, Texas, a national banking association duly organized and validly existing under the laws of the United State of America, serving solely in the capacity of trustee, 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. The Trustee retains the ability, and may rely upon, an agent or advisor of the Town to determine the foregoing.

"*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, Texas Business and Commerce Code, as amended, 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, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

**Section 2.2. Limited Obligations.**

The Bonds are special and limited obligations of the Town, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the 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 Owners, 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 \$[Par Amount] for the purpose of (i) paying or reimbursing all or a portion of the Authorized Improvements Costs, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

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

(a) The Bonds shall be dated July 1, 2019 (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 each March 1 and September 1, commencing September 1, 2019, computed on the basis of a 360-day year of twelve 30-day months.

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

\$[] []% Term Bonds Due September 1, [], Priced to Yield 100%  
CUSIP 742400 []

(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 Construction, Funding, and Acquisition Agreement with all executed amendments thereto;
- (d) a copy of this Indenture executed by the Trustee and the Town;
- (e) an executed Town Directive 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;
- (f) an executed Signature and No-Litigation Certificate;
- (g) an executed opinion of Bond Counsel; and

(h) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

**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 city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, 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 Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State.

### **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 upon written direction by the Town, 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, 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, or 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 and the Paying Agent/Registrar, upon such Bond to the extent of the sums paid.

### **Section 3.7. Registration, Transfer and Exchange.**

(a) So long as any Bond remains outstanding, the 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, written, 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 of such mutilated Bond 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 Town shall prepare and 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, 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, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the 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 with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in

the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the 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 in the years [] (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 mandatory sinking fund redemption dates and in the respective Sinking Fund Installment as set forth in the following schedule:

\$[] Term Bonds maturing September 1, 20[]

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

†Stated maturity.

(b) At least thirty (30) days prior to each mandatory sinking fund redemption date, the Trustee shall select, in accordance with Section 4.5 of this Indenture, 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 sinking fund 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 mandatory sinking fund 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 thirty (30) days prior to the mandatory 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 mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds which, at least thirty (30) days prior to the mandatory 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, 20[], 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 and unpaid interest to the date fixed for redemption. The Town shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed by the Town in accordance with this section.

#### **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 any date, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(d)) or any other transfers to the Redemption Fund under the terms of this Indenture. The Town shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed by the Town in accordance with this section.

#### **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 \$25,000 by lot, 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 \$25,000, 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 or Bonds 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) Upon receipt of a Town Directive so directing, the trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(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 2019  
(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____%	September 1, []	_____	_____

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

\_\_\_\_\_

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

\_\_\_\_\_ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such

principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on each March 1 and September 1, commencing September 1, 2019.

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 (the "*Trustee*") and paying agent/registrar, or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day (whether or not a 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 thirty (30) days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the Town having the designation specified in its title (herein referred to as the "Bonds"), dated as of July 1, 2019 and issued in the aggregate principal amount of \$[Par Amount] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of July 1, 2019 (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 Owners 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 Owner 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 Authorized Improvements Costs, (ii) funding a reserve fund for payment of principal and interest

on the Bonds, (iii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the Town payable solely from the Trust Estate. 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 each of the years 20[] (collectively, "*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 Bonds called for redemption, 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 mandatory sinking fund redemption dates and in the respective Sinking Fund Installments as set forth in the following schedule:

\$[]Term Bonds maturing September 1, []

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

\_\_\_\_\_  
\*Stated maturity.

At least thirty (30) days prior to each mandatory 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 Installment 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 mandatory 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 thirty (30) days prior to the mandatory 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 mandatory 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 thirty (30) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or the extraordinary optional redemption provisions in Section 4.4 of the Indenture 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 September 1, 20[], 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 and unpaid interest to the date of redemption.

The Town reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments 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 thirty (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 Owners of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the Owners of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Owners 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 Owner of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such Owner and upon all

future Owners 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 forty-five (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.

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Town Secretary

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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 September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
--------------	-------------------------------	-----------------------

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

### **Section 5.3. CUSIP Registration.**

The Town may secure identification numbers through CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the 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 Owners and that neither the Town nor the Trustee shall be liable for any inaccuracies in such numbers.

The Town prohibits any Bond to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$25,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

### **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; and
- (B) Capitalized 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.

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

- (A) Improvement Account;
- (B) Developer Improvement Account; and
- (C) Costs of Issuance Account.

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

- (A) Bond Pledged Revenue Account.

(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 Capitalized Interest Account of the Bond Fund: \$[];

- (ii) to the Reserve Account of the Reserve Fund: \$[], which is equal to the initial Reserve Account Requirement;
- (ii) to the Costs of Issuance Account of the Project Fund: \$[];
- (iii) to the Improvement Account of the Project Fund: \$[]; and
- (iv) to the Administrative Fund: \$[].

(b) Funds received from the Developer or other sources on the Closing Date in the amount of (i) \$[] shall be deposited to the Developer 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 Assessment Revenues (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 provide a Town Directive describing the funds and accounts into which such funds shall be deposited and the Trustee 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 and/or the Redemption Fund, as applicable. In addition, in the event the Town owes Rebatale Arbitrage to the United States Government pursuant to Section 6.8 hereof, the Town shall provide a Town Directive to the Trustee, directing 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 and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, 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, pursuant to a Town Directive, 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, pursuant to a Town Directive, 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. The Trustee may rely upon on any such request of the Town an shall have no obligation to determine the lawful purposes permitted under the PID Act.

#### **Section 6.4. Bond Fund.**

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to Section 6.7(g). Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on September 1, 2019, March 1, 2020 and September 1, 2020. Additionally, funds in the Capitalized Interest Account shall be used to pay accrued but unpaid interest (but not principal) due on any Prepayments made after the issuance date of the Bonds and before September 1, 2020. Any amounts on deposit to the Capitalized Interest Account after the



foregoing payments shall be transferred to the Improvement Account of the Project Fund, or if the Improvement Account of the Project Fund has been closed as provided in Section 6.5(d), such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

#### Section 6.5. **Project Fund.**

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

(b) A request by the Town for a disbursement 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 Directives. A request by the Developer for a disbursement from the Costs of Issuance Account shall be made by the Trustee to pay costs of issuance after receipt of a Closing Disbursement Request. Subject to Section 6.5(h), disbursements from the Improvement Account and the Developer Improvement Account of the Project Fund to pay Authorized Improvements 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 from the Improvement Account and the Developer Improvement Account shall be disbursed in accordance with a Certificate for Payment; provided that all disbursements of funds pursuant to a Certificate for Payment shall be made first from the Improvement Account until such Improvement Account has been fully depleted, and second from the Developer Improvement Account of the Project Fund and in compliance with Section 6.5(h).** Each such Town Directive 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 Directive 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) Except as provided in Sections 6.5(d) and (f), money on deposit in the Project Fund shall be used solely to pay Authorized Improvements Costs.

(d) If the Town Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Authorized Improvements such that, in the opinion of the Town Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the Town Representative shall file a Town Directive with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such Town Directive is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the Redemption Fund as directed by the Town Representative in a Town Directive filed with the Trustee. Upon such 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 the filing of a Town Directive stating that all Authorized Improvements have been completed and that all Authorized Improvements Costs have been paid, or that any Authorized Improvements Costs are not required to be paid from the Project Fund pursuant to a Certificate for Payment, the Trustee shall (i) transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the Town Representative in a Town Directive filed with the Trustee and (ii) transfer the amount, if any, remaining in the Developer Improvement Account of the Project Fund to the Developer. Upon such transfers, the Project Fund shall be closed.

(g) Upon the Trustee's receipt of a Town Directive 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 Improvement Account of the Project Fund and used to pay Authorized Improvements Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a Town Directive filed with the Trustee.

(h) The aggregate amount of funds that the Trustee may disburse from the Improvement Account and the Developer Improvement Account shall not exceed \$2,930,000.00 (the "*Authorized Amount*"). The Trustee may make disbursements from the Improvement Account or the Developer Improvement Account that exceed the Authorized Amount only when the Developer makes the certifications described in the Certificate for Payment attached hereto and delivers such certificate to the Trustee. Any Certificate for Payment that requests funds in excess of the Authorized Amount shall be submitted to the Town, the Trustee, the Town's financial advisor, the Town's bond counsel and the Administrator for review and confirmation.

#### **Section 6.6. Redemption Fund.**

Subject to adequate amounts on deposit in the Pledged Revenue 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) After the transfers described in 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 1 of each year, commencing March 1, 2020, 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 such Additional Interest into the Delinquency and Prepayment Reserve Account on March 1 of each year until the Delinquency and Prepayment Reserve Requirement has been met. Furthermore, once the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account, any amounts in excess of the Delinquency and Prepayment Reserve Requirement shall be transferred by the Trustee first to the Redemption Fund to redeem Bonds as provided in Article IV provided, however, that 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 such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan unless and until it receives a Town Directive specifying that a different amount be used.

(c) Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the Town, specifying the amount withdrawn and the source or account of said funds.

(d) 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 a Town Directive, 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.

(e) 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 prior to the next Interest Payment Date, the Trustee receives a Town Directive 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. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(f) 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 Directive, 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 Directive directing the transfer of such excess to the Administrative Fund within forty-five (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.

(g) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds 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 Reserve Account of the Reserve Fund and second the Delinquency and Prepayment Reserve Account of the Reserve Fund.

(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 Principal and Interest Account 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, as further set forth in a Town Directive delivered to the Trustee. The Trustee may conclusively rely on such Town Directive and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee complies with such Town Directive.

(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 written 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 Directive, 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 Directive 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 Directive 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 Directive filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed two hundred seventy (270) days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed ninety (90) days. Each such Town Directive 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 in order to make the disbursements required or permitted by the this Indenture or otherwise 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 is hereby directed and authorized, to invest and re-invest cash balances in Morgan Stanley, Fidelity or Federated family of funds, including funds for which the Trustee or its affiliates provide investment advisory or other management services, but only so long as such funds are 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, and only 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, as determined and directed by the Town.

(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 may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. 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 Directive, 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 Directive 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 any 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 Owner or Owners of any Bonds or any duly authorized agent or agents of such Owners 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 (30) 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 Owner 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 thirty (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 ninety (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);

(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 sixty (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; and

(9) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings).

(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 Authorized Improvements 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 sixty (60) days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are 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 express 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. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) The Trustee is hereby designated and agrees to act also in the capacity as Paying Agent/Registrar for and with 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 and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture, the Trust Estate, or the Bonds or with respect to the security afforded

by this Indenture, and the Trustee shall incur no liability with respect thereto. 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; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds (except for the Trustee's own negligence or willful misconduct), or (vi) to undertake any other action unless specifically authorized or required pursuant to a written Town Directive or pursuant to this Indenture.

(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 its 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, furnishing, or use of the District. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care and in good faith by it hereunder.

(e) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the Town or by the Owners of more than 50% of principal amount of Bonds. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default.

(f) Before taking any action under this Indenture (other than making any payment of principal, premium, or interest on the Bonds), the Trustee may require that a satisfactory indemnity be furnished to it for the payment or reimbursement of all costs and expenses (including, without limitation, attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which it adjudicated to have resulted from its negligence or willful misconduct.

(g) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

#### **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 conclusively 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 that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the Town in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry and shall not be deemed to have knowledge of 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 Directive, unless other evidence in respect thereof be hereby specifically prescribed. Such Town Directive 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. The execution of any Town Directive shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(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, the previously determined and agreed upon reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all costs for any extraordinary services rendered, and 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 Directive 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 Directive, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Trustee has 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 shall make such payment from lawfully available funds (other than funds designated by the Town for Rebutable Arbitrage) in its possession under the provisions of this Indenture. The right of the Trustee to its fees, expenses, and indemnification shall survive the release, discharge and satisfaction of the Indenture.

#### **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 Owners 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 Owners of a majority of the Bonds. The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

#### **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 sixty (60) days' written notice, specifying the date when such resignation shall take effect, to the Town and each Owner of any Outstanding Bond. Notwithstanding the foregoing, such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the Town has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the Trustee, and such resignation shall take effect upon the court's appointment of a successor Trustee.

#### **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 percent in principal amount of the Bonds then Outstanding.

**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 percent 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 thirty (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.

(d) If in a proper case no appointment of a successor Trustee shall be made within sixty (60) 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. Any duties and obligations of such predecessor Trustee shall thereafter cease and terminate and the Trustee shall be paid in full.

(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 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.



(g) 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 pursuant to the provisions set forth herein, or a trust company that is a wholly-owned subsidiary of any of the foregoing

#### **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, and upon receipt of its outstanding fees or expenses, 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, upon the receipt of payment of its outstanding charges 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.**

The Town will cause to be filed all appropriate financing 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 and rights 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; provided unless the Trustee is otherwise notified by the Town, the Trustee may conclusively rely upon (and be fully protected in relying upon) the initial filing statements delivered to it in filing any continuation statements hereunder. 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 percent 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.

### **9.16 Offering Documentation.**

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds.

### **9.17 Expenditure of Funds and Risk.**

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

### **9.18 Environmental Hazards.**

The Trustee may inform any holder of environmental hazards that the Trustee has reason

to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under State or federal laws pertaining to the transport, storage, treatment, or disposal of hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

## **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 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. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the Town.

(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 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(a), 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(b), to take effect when and as provided in this Section. The Town shall direct the Trustee in writing to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, to mail by first-class mail 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.**

Subject to Section 10.01, 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;

(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; and

(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 and its receipt of indemnity satisfactory to it 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. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(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 Directive, 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 Directive, 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 may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms, specifically in inverse order of value pursuant to a certified appraisal or real or personal property or market value of investments as set forth in the United States Stock Exchange, and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. The Trustee shall sell the Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of the next succeeding most valuable assets until the 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, in the judgement of the Trustee, proper for the purpose which may be designated in such request.

(e) In an Event of Default shall have occurred and be continuing, the Town, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the Town pertaining thereto, and including the rights and the position of the Town, and to hold, operate, and manage the same, and from time to time make all needed repairs and improvements, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this of Indenture, and (iv) all expenses of such repairs and improvements. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the Town, its successors or assigns.

### **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 9.3(e), (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 written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for sixty (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 in writing; 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 (and, at the option of the Trustee, the advice of counsel) 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, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel's fees, costs and expenses), 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.

Following its receipt of written directions from the Town, the Trustee shall make payments to the Owners of Bonds pursuant to this Section 11.4 within 30 days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(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.**

The Trustee may, and with the prior written consent of the majority of the Owners of the outstanding Bonds, waive and Event of Default occurring hereunder. 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 provide written direction to 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 as specified in a Town Directive.

#### 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 to the satisfaction of the Trustee. 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 Manager  
1075 Ronald Reagan Avenue  
Hickory Creek, Texas 75065  
with a copy to:

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

If to the Trustee  
and the Paying Agent/Registrar

U.S. Bank National Association  
13737 Noel Road, Suite 800  
Dallas, Texas 754240  
Attn: Corporate Trust

with a copy to:

Norton Rose Fulbright US LLP  
Attn: Lauren Ferrero  
111 W. Houston, Suite 1800  
San Antonio, Texas 78205

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by electronic means, as further described herein, 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 (5) 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) its substitution for the prior 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.

#### **Section 15.10. No Boycott of Israel; No Terrorist Organization.**

(a) The Trustee hereby verifies that it and its parent company, wholly- or majority owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Indenture with the Town is a contract for goods or services, will not boycott Israel during the term thereof. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, as amended, and to the extent such section does not contravene applicable federal or State law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(b) The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer's Internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,



<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made to solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such section does not contravene applicable federal and State law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 15.11. **Electronic Storage.** The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

*[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 MM Hickory Creek 24, LLC (the "*Developer*") and requests payment to the Developer (or to the person designated by the Developer) from the *[Improvement Account][Developer Improvement Account]* of the Project Fund from U.S. Bank National Association (the "*Trustee*") in the amount of \_\_\_\_\_ (\$\_\_\_\_\_) to be transferred from the *[Improvement Account][Developer Improvement Account]* of the Project Fund upon the delivery of the Bonds for costs incurred in the establishment, administration, and operation of the Hickory Farms Public Improvement District (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 July 1, 2019 relating to the "TOWN OF HICKORY CREEK, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)" (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 Authorized Improvements Costs associated with the creation, acquisition, or construction of said Authorized Improvements, and such costs (i) are in compliance with the Construction, Funding, and Acquisition Agreement, and (ii) are consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Construction, Funding, and Acquisition Agreement, the Indenture, the Developer Continuing Disclosure Agreement and the Service and Assessment Plan.
5. All conditions set forth in the Indenture and the Construction, Funding, and Acquisition 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:**

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

As required by Section 6.5(d) of the Indenture, the costs for the Authorized Improvement shall be paid as follows:

Improvement:	Amount to be paid from the [Improvement Account][Developer Improvement Account] of the Project Fund	Total Cost of Improvement

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]

Pursuant to the Construction, Funding and Acquisition Agreement, after receiving this payment request, the Town is authorized to inspect the Authorized Improvement (or completed, section or portion thereof segment) or the Authorized Improvement (or completed segment, section or portion thereof) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

[FOR PAYMENTS THAT EXCEED THAT AUTHORIZED AMOUNT (AS DEFINED IN SECTION 6.5(H) OF THE INDENTURE), THE FOLLOWING REPRESENTATIONS MUST BE PROVIDED]

[The estimated taxable assessed valuation of the property within the District is \$[TO BE PROVIDED] which is derived from: (i) property within the District that has been sold as evidenced by the attached executed real estate contracts and for which development on that property has begun; (2) property which has been sold but for which development has not begun but which has an estimated taxable value of \$[\_\_\_] based on the attached executed real estate contracts; (3) property currently held by the Developer which has an estimated taxable value of \$[\_\_\_] based on the Appraisal District's value established by the last tax statement sent by the Denton County Tax

Assessor: or (4) any combination of (1) through (3). Developer agrees and acknowledges that submission of a Certificate for Payment for amounts to be paid from the Improvement Account or the Developer Improvement Account of the Project Fund in excess of \$2,930,000 (in the aggregate) shall be approved by the Town for payment under the Indenture unless the ratio of the estimated taxable assessed value to the total amounts drawn from the Improvement Account and the Developer Improvement Account of the Project Fund, inclusive of the amounts requested under the current Certificate for Payment, equal at least 3.00 to 1.00. The Town may not approve a Certificate for Payment for any amounts that exceed the Authorized Amount until this ratio has been satisfied or the Town has issued a certificate of occupancy for at least fifteen (15) homes within the District.]

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

MM Hickory Creek 24, LLC

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

## **APPROVAL OF CERTIFICATE FOR PAYMENT REQUEST**

THIS APPROVAL CONSTITUTES A TOWN DIRECTIVE AS DESCRIBED IN THE INDENTURE

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 hereby directs the Trustee to make the rested payment from the applicable account under the Indenture. The Town's approval of this Certificate for Payment shall not have the effect of estopping or preventing the Town from asserting claims under the Hickory Farms Public Improvement District Construction, Funding and Acquisition Agreement, the Indenture, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Authorized Improvements.

### **TOWN OF HICKORY CREEK, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*[Must be signed by Mayor or Town Administrator]*

Date: \_\_\_\_\_

## EXHIBIT B

### CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for MM Hickory Creek 24, LLC, (the “Developer”) and requests payment from the *[Cost of Issuance Account][Improvement Account][Developer Improvement Account]* of the Project Fund from U.S. Bank National Association, Dallas, Texas (the “Trustee”) in the amount of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) for the costs incurred in the establishment, administration, and operation of the Hickory Farms Public Improvement District (“District”). 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 July 1, 2019 relating to the "TOWN OF HICKORY CREEK, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)" (the "Indenture").

In connection to the above referenced payment, the Developer represents and warrants to the Town that the undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

1.

Project		PID Allocated Cost
		\$
<b>TOTAL</b>		

2. The payment requested for the above referenced authorized improvement costs have not been the subject of any prior payment request submitted 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 at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan.

Closing Costs Description	Cost	PID Allocated Cost
<b>TOTAL</b>		

4. The Developer is in compliance with the terms and provisions of the Construction, Funding, and Acquisition Agreement, the Indenture, the Developer Continuing Disclosure Agreement and the Service and Assessment Plan.

5. All conditions set forth in the Indenture and the Construction, Funding, and Acquisition Agreement for the payment hereby requested have been satisfied.
6. 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:**

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

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

**MM HICKORY CREEK 24, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**APPROVAL OF CLOSING DISBURSEMENT REQUEST**

THIS APPROVAL CONSTITUTES A TOWN DIRECTIVE AS DESCRIBED IN THE INDENTURE

The Town is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the Town approves the Closing Disbursement Request and hereby directs the Trustee to make the rested payment from the applicable account under the Indenture.

**TOWN OF HICKORY CREEK, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*[Must be signed by Mayor or Town Administrator]*

Date: \_\_\_\_\_

**EXHIBIT C**  
**FORM OF TOWN DIRECTIVE**

[Town Letterhead]

U.S. Bank National Association  
13737 Noel Road, Suite 800  
Dallas, Texas 75240  
Attn: Mr. Brian Jensen  
[brian.jensen@usbank.com](mailto:brian.jensen@usbank.com)  
972-581-1623

Re: Town of Hickory Creek, Texas Special Assessment Revenue Bonds, Series 2019  
(Hickory Farms Public Improvement District)

Reference is made to the Indenture of Trust (the "Indenture") by and between the Town of Hickory Creek, Texas (the "Town") and U.S. Bank National Association (the "Trustee"), regarding the above-described transaction. In accordance with the Indenture, we hereby instruct you as follows:

[insert instructions]

This Town Directive, as executed by the Town Representative (as defined in the Indenture) below, is provided in accordance with and complies with the provisions of the Indenture. The Trustee is hereby authorized to rely upon this Town Directive and to take the foregoing action(s). By submission of this Town Directive, the Town hereby affirms that it remains in compliance with the covenants as set forth in the Indenture and all supplements related thereto.

Very truly yours,

TOWN OF HICKORY CREEK, TEXAS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*[Must be signed by Mayor or Town Administrator]*

Date: \_\_\_\_\_

**EXHIBIT B**

**BOND PURCHASE AGREEMENT**

Attached

**\$4,185,000**  
**TOWN OF HICKORY CREEK, TEXAS,**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019**  
**(HICKORY FARMS PUBLIC IMPROVEMENT)**

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**BOND PURCHASE AGREEMENT**

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June 18, 2019

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 Limited Offering Memorandum (defined herein).

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Town, and the Town hereby agrees to sell to the Underwriter, all (but not less than all) of the \$4,185,000 aggregate principal amount of the “Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District)” (the “Bonds”), at a purchase price of \$4,185,000 (representing the aggregate principal amount of the Bonds less an Underwriter’s discount of \$\_\_\_\_\_).

Inasmuch as this purchase and sale represents a negotiated transaction, the 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 and the Underwriter has financial

and other interests that differ from any other party to this Agreement, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the 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 has deemed appropriate, (v) the Underwriter has financial and other interests that differ from those of the Town, 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. The Town further acknowledges and agrees that following the issuance and delivery of the Bonds, the Underwriter has indicated that it may have periodic discussions with the Town regarding the expenditure of Bond proceeds and the construction of the Authorized Improvements (as defined in the Service and Assessment Plan) financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the Town.

The Bonds shall be dated July 1, 2019 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 July 10, 2019 (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 an Ordinance enacted by the Town Council of the Town (the “Town Council”) on June 18, 2019 (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 July 1, 2019, 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 proceeds of assessments levied on the assessable parcels within the District (the “Assessments”) of the Hickory Farms Public Improvement District (the “District”). The District was established by Resolution No. \_\_\_\_\_ (the “Creation Resolution”), enacted by the Town Council on May 21, 2019, in accordance with the Act. A Service and Assessment Plan, (the “Service and Assessment Plan”) which sets forth the costs of the Authorized Improvements (as defined in the Service and Assessment Plan) and the method of payment of the Assessments was adopted pursuant to an ordinance of the Town Council adopted on June 18, 2019 (the “Assessment Ordinance”). The Assessment Ordinance, the Creation Resolution, the Indenture and the Bond Ordinance are referred to herein as the “Authorizing Documents”.

The Bonds shall be as described in Schedule I, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for (i) paying a portion of the costs of the

Authorized Improvements (as defined in the Indenture) that will benefit the District, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements, (iii) funding a reserve fund for the payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuing the Bonds

3. Limited Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds. On or before the fifth (5<sup>th</sup>) business day prior to Closing, the Underwriter shall execute and deliver to Bond Counsel the Issue Price Certificate, in substantially the form attached hereto as Appendix B.

4. Limited Offering Memorandum.

(a) Delivery of Limited Offering Memorandum. The Town previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Limited Offering Memorandum for the Bonds dated June 6, 2019 (the “Preliminary Limited Offering Memorandum”), in a “designated electronic format,” as defined in the Municipal Securities Rulemaking Board (MSRB) Rule G-32 (“Rule G-32”). The Town will prepare, or cause to be prepared, a final Limited Offering Memorandum relating to the Bonds (the “Limited Offering Memorandum”) which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (“Rule 15c2-12”), (iii) in a “designated electronic format,” and (iv) substantially in the form of the most recent version of the Preliminary Limited Offering Memorandum provided to the Underwriter before the execution hereof. The Limited Offering Memorandum, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds are collectively referred to herein as the “Limited Offering Memorandum.” Until the Limited Offering Memorandum has been prepared and is available for distribution, the Town shall provide to the Underwriter sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Limited Offering Memorandum.

(b) Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the offering, sale, and distribution of the Bonds. The Town hereby represents and warrants that the Preliminary Limited Offering Memorandum 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 Limited Offering Memorandum in Offering and Sale. The Town hereby authorizes the Limited Offering Memorandum and the information therein contained to be used by the Underwriter in connection with the offering and the sale of the Bonds. The Town consents to the use by the Underwriter prior to the date hereof of the

Preliminary Limited Offering Memorandum in connection with the offering of the Bonds. The 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 Limited Offering Memorandum which is complete as of the date of its delivery to the Underwriter. The Town shall provide the Limited Offering Memorandum, or cause the Limited Offering Memorandum to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

(d) Updating of Limited Offering Memorandum. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than the 25th day after the "end of the underwriting period" for the Bonds), the Town becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the 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 reasonably request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the Town will forthwith prepare and furnish, at no expense to the Underwriter (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Limited Offering Memorandum so that the statements therein as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or so that the Limited Offering Memorandum will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the Town in accordance herewith, (i) the Town makes no representations with respect to the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York ("DTC"), or its book-entry-only system, and (ii) the Town makes no representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions and subcaptions "PLAN OF FINANCE — Development Plan and Plan of Finance," "BOOK-ENTRY ONLY SYSTEM," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements and the Development), "THE PID ADMINISTRATOR," "LEGAL MATTERS — Litigation — The Developer," and "CONTINUING DISCLOSURE — The Developer," and "INFORMATION RELATING TO THE TRUSTEE." If such notification shall be subsequent to the Closing, the Town, at

no expense to the Underwriter, shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum. The 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 Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access (“EMMA”) system within one business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the Town can assume that the “end of the underwriting period” for purposes of Rule 15c2-12 is the Closing Date.

(f) Limited Offering. The Underwriter hereby represents, warrants and covenants that the Bonds were initially sold pursuant to a limited offering. The Bonds were sold to not more than thirty-five persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act (as defined herein)) or “Qualified Institutional Buyers” (within the meaning of Rule 144A under the Securities Act).

5. Town Representations, Warranties and Covenants. The Town represents, warrants and covenants 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;

(3) that certain Hickory Farms Development Agreement dated effective as of April 1, 2019 between the Town and Centurion American Acquisitions, LLC, as assigned to MM Hickory Creek 24, LLC (the “Developer”) pursuant to that certain Assignment of Developer’s Interest in Hickory Farms Development Agreement, dated March 2, 2019 (the “Development Agreement”);

(4) the Hickory Farms Public Improvement District Construction, Funding and Acquisition Agreement effective June 18, 2019 executed by the Town and the Developer (the “CFA Agreement”);

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of July 1, 2019 (the “Town Continuing Disclosure



Agreement”), executed and delivered by the Town, P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc., as Dissemination Agent; and

(6) the Landowner Agreement dated as of June 18, 2019 executed by the Town and the Developer (the “Landowner Agreement”)

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

(iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Indenture, (4) the Development Agreement, (5) the CFA Agreement, (6) the Landowner Agreement, (7) the Town Continuing Disclosure Agreement, (8) the Limited Offering Memorandum, and (9) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (6) 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 material 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 material 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 securing the Bonds 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 District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged 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) Assessments. 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 Rolls (as defined in the Service and Assessment Plan). According to the Act, such Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

(h) Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the 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) Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Town makes no representations with respect to (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of DTC, or its book-entry-only system, and (ii) the Town makes no representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE — Development Plan and Plan of Finance,” “BOOK-ENTRY ONLY SYSTEM,” “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Authorized Improvements and the Development), “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE – The Developer,” and “INFORMATION RELATING TO THE TRUSTEE.”

(k) Limited Offering Memorandum. At the time of the Town’s acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the 25<sup>th</sup> day subsequent to the “end of the underwriting period,” the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state any

material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Town makes no representations with respect to (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of DTC, or its book-entry-only system, and (ii) the Town makes no representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE — Development Plan and Plan of Finance,” “BOOK-ENTRY ONLY SYSTEM,” “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Authorized Improvements and the Development), “THE PID ADMINISTRATOR,” “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE – The Developer,” and “INFORMATION RELATING TO THE TRUSTEE,” and further provided, however, that if the Town notifies the Underwriter of any fact or event as required by Section 4(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

(l) Supplements or Amendments to Limited Offering Memorandum. If the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the 25th day subsequent to the “end of the underwriting period,” the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that if the Town notifies the Underwriter of any fact or event as required by Section 4(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

(m) Compliance with Rule 15c2-12. During the past five years, the Town has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

(n) Use of Bond Proceeds. The 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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 Limited Offering Memorandum to the Underwriter, the Town shall be deemed to have reaffirmed, with respect to the Limited Offering Memorandum, the representations, warranties and covenants set forth above.

6. Developer Letter of Representations. At the signing of this Agreement, the Town and Underwriter shall receive from the Developer, an executed Developer Letter of Representations (the “Developer Letter of Representations”) in the form of Appendix A hereto, and at the Closing, a certificate signed by the Developer as set for in Section 9(e) hereof.

7. The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the 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, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter’s obligations under this Agreement to purchase, accept delivery of, and pay for the Bonds shall be conditioned upon the performance by the 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) the Authorizing Documents shall be in full force and effect; (iii) there shall be in full force and effect such other resolutions or actions of the 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; (iv) there shall be in full force and effect such other resolutions or actions of the Developer as, in the opinion of Miklos Cinclair, PLLC (“Developer’s Counsel”), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in the Developer Letter of Representations, the CFA Agreement, the Landowner Agreement, and the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of July 1, 2019 (the “Continuing Disclosure Agreement of the Developer,” and together with the Developer Letter of Representations, the Development Agreement, the Landowner Agreement and the CFA Agreement, the “Developer Documents”), executed and delivered by the Developer, HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc., as dissemination agent, and P3Works, LLC, as PID Administrator; and (v) the Town shall perform or have performed its 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, the Town Documents, the Developer Documents or other documents relating to the financing and construction of the Authorized Improvements and the Development, and the Developer shall not be in default in the payment of principal or interest on any of its indebtedness which default shall materially adversely impact the ability of such Developer to pay the Assessments when due.

(d) 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, any of the following shall have occurred:

(i) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by the occurrence of any of the following:

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

(2) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission ("SEC") or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not

exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the “Securities Act”), or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the “Trust Indenture Act”); or

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

(4) there shall have occurred any outbreak of hostilities (including, without limitation, an act of terrorism) or other national or international calamity or crisis, including, but not limited to, an escalation of hostilities that existed prior to the date hereof, and the effect of any such event on the financial markets of the United States shall be such as would make it impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner contemplated by the Limited Offering Memorandum; or

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

(6) any state blue sky or securities commission or other governmental agency or body in any state in which more than 10% of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

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

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



(iii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

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

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

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

(vii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Agreement or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the date of Closing, including the Securities Act, the Securities Exchange Act of 1934 (the "Securities Exchange Act") and the Trust Indenture Act; or

(viii) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

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

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

(a) Bond Opinion. The approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix D to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the date of the Closing and addressed to the Underwriter, which may be included in the supplemental

opinion required by Section 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 Limited Offering Memorandum but that such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions “PLAN OF FINANCE — The Bonds”, “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS”, “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology”, “Assessment Amounts” and “Assessment Collections”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings,” “LEGAL MATTERS — Legal Opinions,” “SUITABILITY FOR INVESTMENT,” “CONTINUING DISCLOSURE” (except for the subcaption “The Town’s Compliance with Prior Undertakings” and “The Developer”), “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS” and APPENDIX B and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance 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

(iv) The Indenture, the Development Agreement, the CFA Agreement, the Town Continuing Disclosure Agreement, the Landowner Agreement and this Agreement 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 local governmental entities.

(c) Town Legal Opinion. An opinion of an attorney for the Town, dated the Closing Date and addressed to the Underwriter, the Town and the Trustee, with respect to matters relating to the Town, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Underwriter.

(d) Opinion of Developer's Counsel. An opinion of Developer's Counsel, substantially in the form of Appendix D hereto, dated the Closing Date and addressed to the Town, Bond Counsel, the Attorney for the Town, the Underwriter, Underwriter's Counsel and the Trustee.

(e) Developer Certificate. The certificate of the Developer dated as of the Closing Date, signed by an authorized officer of Developer in substantially the form of Appendix E hereto.

(f) Town Certificate. A certificate of the Town, dated the Closing Date, to the effect that, to the best of an authorized Town official's knowledge:

(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 Authorizing Documents and Town Documents are in full force and effect and have not been amended, modified, or supplemented;

(iii) except as disclosed in the Limited Offering Memorandum, no litigation or proceeding against the 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 District, (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; and

(iv) the Town has, to the best of 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.

(g) 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.

(h) Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Winstead PC, counsel to the Underwriter, to the effect that:

(i) based on (A) such counsel's review of the Bond Ordinance, the Indenture, and the Limited Offering Memorandum; (B) its discussions with Bond Counsel and with the Underwriter; (C) its review of the documents, certificates, opinions and other instruments delivered at the closing of the sale of the Bonds on the date hereof; and (D) such other matters as it deems relevant, such counsel is of the opinion that the Bonds are exempt securities under the Securities Act, and the Trust Indenture Act, and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the Securities Act and the Indenture is not required to be qualified under the Trust Indenture Act;

(ii) based upon (A) such counsel's review of Rule 15c2-12 and interpretive guidance published by the SEC relating thereto; (B) its review of the continuing disclosure undertaking of the Town contained in the Town Continuing Disclosure Agreement; and (C) the inclusion in the Limited Offering Memorandum of a description of the specifics of such undertaking, and assuming that the Bond Ordinance, the Indenture, and the Town 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 Limited Offering Memorandum, it has participated in the preparation of the Limited Offering Memorandum and without independent verification, no facts came to its attention that caused it to believe that the Limited Offering Memorandum (except for the Appendices as well as any other financial, engineering and statistical data contained therein or included therein by reference or any litigation disclosed therein, as to which it expresses no view) as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

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

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

(l) Federal Tax Certificate. A certificate of the 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.

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

(n) Continuing Disclosure Agreements. The Town Continuing Disclosure Agreement and the Continuing Disclosure Agreement of the Developer, shall have been executed by the parties thereto in substantially the forms attached to the Preliminary Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

(o) Letter of Representation of the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix F hereto, or in form otherwise agreed to by the Underwriter, and (ii) a copy of the real estate appraisal of the property in the District.

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

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

(r) Lender Consent Certificate. Lender Consent Certificate of Trez Capital (2015) Corporation consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Assessments and the subordination of its lien to the lien created by the Assessments in a form acceptable to the Underwriter.

(s) Evidence of Ownership of Property. Evidence that, on the dates that the respective Assessment Ordinance were adopted, all of the Assessed Property in the District was owned by the Developer or other development entities and that such landowners are not entities that may claim a homestead right under Texas law.

(t) Rule 15c2-12 Certification. A resolution or certificate of the Town whereby the Town has deemed the Preliminary Limited Offering Memorandum final as of its date,

except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the offering of the Bonds.

(u) Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the Town has engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the Town Continuing Disclosure Agreement and the Continuing Disclosure Agreement of the Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

(v) BLOR. A copy of the Blanket Letter of Representation to DTC signed by the Town.

(w) 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, the opinion of Bond Counsel described in Section 9(a) hereof, and any documents to be provided by the Developer.

11. 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 B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Town and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the 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 as of the sale date the first price at which the Underwriter has sold to the public at least 10% of each maturity of Bonds (the "10% test"), and shall identify to the Town as of the sale date those maturities of the Bonds for which the 10% test has not been satisfied. If different interest coupons apply within a maturity, each separate CUSIP number within that maturity will be treated as a separate maturity for this purpose.

(c) The 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 sale date, 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:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the 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, if applicable, relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (i) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The 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 (including an individual, trust, estate, partnership, association, company or corporation) 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 (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

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

12. 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 the Underwriter and the Town shall have no further obligation hereunder, except as further set forth in Sections 13, 15 and 16 hereof.

13. Costs and Expenses.

(a) The Underwriter shall be under no obligation to pay, and the 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 Limited Offering Memorandum, the final Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of the Town’s financial advisor and legal counsel, the Trustee’s counsel, Bond Counsel, Developer’s Counsel, and the Trustee relating to the issuance of the Bonds, (iv) the Attorney General’s review fees, (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the Town or the Developer, 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 offering and distribution of the Bonds, except as noted in Subsection 13(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 whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

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

15. Entire Agreement. 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 agreements contained in this Section and in Sections 16 and 18 shall survive any termination of this Agreement.

16. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

17. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

18. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

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

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

21. 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.

22. Form 1295. Submitted herewith or on a date prior hereto is a completed Form 1295 in connection with the Underwriter's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Town hereby confirms receipt of the Form 1295 from the Underwriter, and the Town agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Underwriter and the Town understand and agree that, with the exception of information identifying the Town and the contract identification number, neither the Town nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Underwriter; and, neither the Town nor its consultants have verified such information.

23. Anti-Boycott Verification. The Underwriter represents that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, neither the Underwriter, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Underwriter (i) boycotts Israel or (ii) will boycott Israel through the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

24. Iran, Sudan and Foreign Terrorist Organizations. The Underwriter represents that, as of the date of this Agreement, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable Federal law, neither the Underwriter, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Underwriter is an entity listed by the Texas Comptroller of Public Accounts under Sections 2252.153 or 2270.0201 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

*[Remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

**FMSbonds, Inc.,**  
as Underwriter

By: \_\_\_\_\_  
Name: Theodore A. Swinarski  
Title: Senior Vice President, Trading

Accepted at \_\_\_\_\_ a.m./p.m. central time on the  
date first stated above.

**TOWN OF HICKORY CREEK, TEXAS**

By: \_\_\_\_\_  
Lynn Clark, Mayor

## SCHEDULE I

\$4,185,000  
TOWN OF HICKORY CREEK, TEXAS  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019  
(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)

Interest Accrues From: July 1, 2019

\$ \_\_\_\_\_ % Term Bonds, Due September 1, 20\_\_, Priced to Yield \_\_\_\_\_ % <sup>(a), (c)</sup>

\$ \_\_\_\_\_ % Term Bonds, Due September 1, 20\_\_, Priced to Yield \_\_\_\_\_ % <sup>(a), b), (c)</sup>

- (a) The initial prices or yields of the Bonds are furnished by the Underwriter, have been determined in accordance with the 10% test, and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.
- (b) The Bonds maturing on September 1, 20\_\_ are subject to redemption, in whole or in part, prior to stated maturity, at the option of the Town, on any Interest Payment Date on or after September 1, 20\_\_, at the redemption prices set forth in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- (c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS — Redemption Provisions."

The Term Bonds are subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installments as set forth in the following schedule.

**\$ \_\_\_\_\_ Term Bonds Maturing September 1, 20\_\_**

<b><u>Redemption Date</u></b>	<b><u>Sinking Fund Installment</u></b>
September 1, 20__	\$
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__ <sup>†</sup>	

**\$ \_\_\_\_\_ Term Bonds Maturing September 1, 20\_\_**

<b><u>Redemption Date</u></b>	<b><u>Sinking Fund Installment</u></b>
September 1, 20__	\$
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__ <sup>†</sup>	

<sup>†</sup> Stated maturity.

## **APPENDIX A**

### **FORM OF DEVELOPER LETTER OF REPRESENTATIONS**

**\$4,185,000**  
**TOWN OF HICKORY CREEK, TEXAS,**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019**  
**(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)**

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#### **DEVELOPER LETTER OF REPRESENTATIONS**

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June 6, 2019

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

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

Ladies and Gentlemen:

This letter is being delivered to the Town of Hickory Creek, Texas (the “Town”) and FMSbonds, Inc. (the “Underwriter”), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the “Bond Purchase Agreement”) for the sale and purchase of the \$4,185,000 “Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District)” (the “Bonds”). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the Town, and the Town has agreed to sell to the Underwriter, the Bonds. In order to induce the Town to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the Town and the purchase of them by the Underwriter, the undersigned, MM Hickory Creek 24, LLC, a Texas limited liability company (the “Developer”), makes the representations, warranties, and covenants contained in this Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used and not otherwise defined in this Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Bonds), the Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Developer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); however, that for the purposes of this Developer Letter of Representations and any certificate delivered by the Developer in accordance with the Bond Purchase Agreement, the Developer makes no representations with respect to (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York, or its book-entry-only system and (ii) the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “THE TOWN,” “THE DISTRICT,” “BONDHOLDERS’ RISKS” (except as it pertains to the Developer, the Authorized Improvements and the Development, as defined in the Limited Offering Memorandum), “TAX MATTERS,” “LEGAL MATTERS — Litigation — The Town,” “CONTINUING DISCLOSURE — The Town” and “ — The Town’s Compliance with Prior Undertakings” and “INFORMATION RELATING TO THE TRUSTEE.”

3. Developer Documents. The Developer has executed and delivered each of the below listed documents (individually, a “Developer Document” and collectively, the “Developer Documents”) in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of Developer, enforceable against Developer in accordance with its terms:

- (a) this Developer Letter of Representations;
- (b) that certain Hickory Farms Development Agreement dated effective as of April 1, 2019 between the Town and Centurion American Acquisitions, LLC, as assigned to MM Hickory Creek 24, LLC (the “Developer”) pursuant to that certain Assignment of Developer’s Interest in Hickory Farms Development Agreement, dated March 2, 2019 (the “Development Agreement”);
- (c) that certain Hickory Farms Public Improvement District Construction, Funding and Acquisition Agreement effective June 18, 2019 executed by the Town and the Developer (the “CFA Agreement”);
- (d) that certain Continuing Disclosure Agreement of the Developer, dated as of July 1, 2019 made by and among the Developer, HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc. and P3Works, LLC, as Administrator; and



(e) that certain Landowner Agreement dated as of June 18, 2019 executed by the Town and the Developer (the “Landowner Agreement”).

The Developer has complied in all material respects with all of the Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

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

(a) Due Organization and Existence. The Developer is duly formed and validly existing as a limited liability company under the laws of the State of Texas.

(b) Organizational Documents. The copies of the organizational documents of the Developer provided by the Developer (the “Developer Organizational Documents”) to the Town and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

(c) No Breach. The execution and delivery of the Developer Documents by Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which Developer is a party.

(d) No Litigation. Other than as described in the Preliminary Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Development in accordance with the description thereof in the Preliminary Limited Offering Memorandum.

(e) Information. The information prepared and submitted by the Developer to the Town or the Underwriter in connection with the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

(f) Preliminary Limited Offering Memorandum. The Developer represents and warrants that the information set forth in the Preliminary Limited Offering Memorandum under the captions “PLAN OF FINANCE — Development Plan and Plan of Finance,” “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER” and “CONTINUING DISCLOSURE — The Developer” and, to the best of the Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Authorized Improvements and the Development, as defined in the Limited Offering Memorandum) and “LEGAL MATTERS — Litigation — The Developer” is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The

Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (f) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(g) Events of Default. No “Event of Default” or “event of default” by the Developer under any of the Developer Documents, any documents to which Developer is a party described in the Preliminary Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Authorized Improvements to which the Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such “Event of Default” or “event of default,” by the Developer has occurred and is continuing.

5. Indemnification.

(a) The Developer will indemnify and hold harmless the Town and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “PLAN OF FINANCE — Development Plan and Plan of Finance,” “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Authorized Improvements, and the Development), “LEGAL MATTERS — Litigation – The Developer,” and “CONTINUING DISCLOSURE — The Developer”, or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

(b) Promptly after receipt by an indemnified party under subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after

notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the Town, the Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Developer Letter of Representations will be binding upon the Developer and its successors and assigns and inure solely to the benefit of the Underwriter and the Town, and no other person or firm or entity will acquire or have any right under or by virtue of this Developer Letter of Representations.

[Signatures to Follow]

**DEVELOPER:**

MM HICKORY CREEK 24, LLC,  
a Texas limited liability company

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

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

By: \_\_\_\_\_  
Name: Mehrdad Moayed  
Its: Manager

## **APPENDIX B**

**\$4,185,000**

### **TOWN OF HICKORY CREEK, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)**

#### **ISSUE PRICE CERTIFICATE**

The undersigned, as the duly authorized representative of FMSbonds, Inc., hereby certifies with respect to the as set forth below with respect to the \$4,185,000 Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District) ("the "Bonds") issued by the Town of Hickory Creek, Texas (the "Issuer"), hereby certifies, based on its records and information, as follows:

- a. 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 Limited Offering Memorandum relating to the Bonds.
- b. A copy of the pricing wires or equivalent communication for the Bonds is attached to this certificate as Schedule A.
- c. 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.
- d. 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 this \_\_\_\_\_, 2019.

FMSbonds, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE A**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

## APPENDIX C

### [LETTERHEAD OF TOWN ATTORNEY]

July 10, 2019

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

U.S. Bank National Association  
3773 Richmond Avenue  
Suite 1100  
Houston, Texas 77046

Winstead PC  
500 Winstead Building  
2728 N. Harwood Street  
Dallas, Texas 75218

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

\$4,185,000

TOWN OF HICKORY CREEK, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019  
(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)

Ladies and Gentlemen:

We are the Attorney for the Town of Hickory Creek, Texas (the “Town”) for limited purposes, and are rendering this opinion in connection with the issuance and sale of \$4,185,000 “Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District)” (the “Bonds”), by the Town, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to Ordinance No. [\_\_\_\_\_] and enacted by the Town Council of the Town (the “Town Council”) on June 18, 2019 (the “Bond Ordinance”) and shall be issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “Act”) and the Indenture of Trust dated as of July 1, 2019 (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. \_\_\_\_\_ (the “Creation Resolution”), enacted by the Town Council on May 21, 2019.
- (b) The Initial Assessment Ordinance
- (c) The Bond Ordinance.



(d) The Indenture.

(e) that certain Hickory Farms Development Agreement dated effective as of April 1, 2019 between the Town and Centurion American Acquisitions, LLC, as assigned to MM Hickory Creek 24, LLC (the “Developer”) pursuant to that certain Assignment of Developer’s Interest in Hickory Farms Development Agreement, dated March 2, 2019 (the “Development Agreement:”).

(f) that certain Hickory Farms Public Improvement District Construction, Funding and Acquisition Agreement effective June 18, 2019 executed by the Town and the Developer (the “CFA Agreement”);

(g) That certain Continuing Disclosure Agreement of Issuer, dated as of July 1, 2019 executed and delivered by the Town, P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc. (the “Dissemination Agent”).

The Creation Resolution, the Assessment Ordinance and Bond Ordinance shall herein after be referred to as the “Authorizing Documents” and the remaining documents shall herein after be collectively referred to as the “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 municipal corporation 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 Limited Offering Memorandum 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 District 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 Limited Offering Memorandum; (d) specifically contesting the federal or

state tax status of the Bonds; or (e) contesting the completeness or accuracy of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or any supplement or amendment thereto.

3. The Town has duly authorized, executed and delivered the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum

4. Based upon our limited participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (collectively, the “Limited Offering Memorandum”), the statements and information contained in the Limited Offering Memorandum with respect to the Town under the captions and subcaptions “INTRODUCTION,” “PLAN OF FINANCE,” “ASSESSMENT PROCEDURES,” “THE TOWN,” “THE DISTRICT,” “LEGAL MATTERS — Litigation — The Town” and “CONTINUING DISCLOSURE – The Town” 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 action by future councils and relating to governmental immunity applicable to governmental entities.

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

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

7. The adoption of the Authorizing Documents and the execution and delivery of the Town Documents and the compliance with the provisions of the Authorizing Documents and 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 D

### [LETTERHEAD OF MIKLOS CINCLAIR]

July 10, 2019

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

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

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

Winstead PC  
2728 N. Harwood St., Suite 500  
Dallas, Texas 75201

U.S. Bank National Association  
14241 Dallas Parkway, Suite 490  
Dallas, Texas 75254

Hayes, Berry, White & Vanzant, L.L.P.  
512 West Hickory, Suite 100  
Denton, Texas 76201

\$4,185,000

TOWN OF HICKORY CREEK, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019  
(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)

Ladies & Gentlemen:

We have acted as special counsel to MM Hickory Creek 24, 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 \$4,185,000 Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District) (the “*Bonds*”), pursuant to the Indenture of Trust dated as of July 1, 2019 (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 “Hickory Farms” (the “*Development*”) located in the Town of Hickory Creek, Texas (the “*Town*”).

The Bonds are being sold by FMSbonds, Inc. (the “*Underwriter*”), pursuant to that certain Bond Purchase Agreement dated June 18, 2019 (the “*Bond Purchase Agreement*”), between the Town and the Underwriter.

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

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

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

(1) the *Hickory Farms Development Agreement* dated effective as of April 1, 2019 between the Town and Centurion American Acquisitions, LLC, as assigned to MM Hickory Creek 24, LLC (the “Developer”) pursuant to that certain Assignment of Developer’s Interest in Hickory Farms Development Agreement, dated March 2, 2019;

(2) the *Hickory Farms Public Improvement District Construction, Funding and Acquisition Agreement* effective June 18, 2019 executed by the Town and the Developer (the “CFA Agreement”);

(3) the *Continuing Disclosure Agreement of the Developer* dated as of July 1, 2019 among the Developer, P3Works, LLC, as Administrator and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc. as Dissemination Agent;

(4) the *Landowner Agreement* dated as of June 18, 2019 executed by the Town and the Developer; and

(5) the *Developer Letter of Representations* dated as of June 6, 2019

(b) General Certificate of the Developer and the Closing Certificate of the Developer, each dated as of the date hereof (together, the “*Developer Certificate*”);

(c) The Preliminary Limited Offering Memorandum, dated June 6, 2019 relating to the issuance of the Bonds (the “*Preliminary Limited Offering Memorandum*”);

(d) The final Limited Offering Memorandum, dated June 18, 2019, relating to the issuance of the Bonds (collectively with the Preliminary Limited Offering Memorandum, the “*Limited Offering Memorandum*”); and

(e) Such other documents, records, agreements and certificates of the Developer as we have deemed necessary or appropriate to render the opinions expressed below.

In basing the opinions and other matters set forth herein on “our knowledge,” the words “our knowledge” signify that, in the course of our representation of the Developer the principal attorneys in this firm involved in the current actual transaction do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. The words “our knowledge” and similar language used herein are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel.

In rendering the opinions set forth herein, we have assumed, without independent investigation (other than the Developer), that: (i) the due authorization, execution, and delivery of

each of the documents referred to in this opinion letter by all parties thereto and that each such document constitutes a valid, binding, and enforceable obligation of each party thereto, (ii) all of the parties to the documents referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform its obligations under such documents (except to the extent set forth in our opinions set forth herein regarding valid existence and power and authority of the Developer to execute, deliver, and perform its obligations under the Material Documents), (iii) each certificate from governmental officials reviewed by us is accurate, complete, and authentic, and all official public records are accurate and complete, (iv) the legal capacity of all natural persons, (v) the genuineness of all signatures (other than those of the Developer in respect of the Material Documents), (vi) the authenticity and accuracy of all documents submitted to us as originals, (vii) the conformity to original documents of all documents submitted to us as photostatic or certified copies, (viii) that no laws or judicial, administrative, or other action of any governmental 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 Limited Offering Memorandum under the captions “*PLAN OF FINANCE — Development Plan and Plan of Finance*,” “*THE AUTHORIZED IMPROVEMENTS*,” “*THE DEVELOPMENT*,” “*THE DEVELOPER*,” “*BONDHOLDERS’ RISKS*” (only as it pertains to the Developer, the Authorized Improvements, and the Development, as defined in the Limited Offering Memorandum), “*LEGAL MATTERS — Litigation — The Developer*,” and “*CONTINUING DISCLOSURE — The Developer*,” adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

7. Subject to the below qualifications and based upon our participation in the preparation of the Limited Offering Memorandum and our participation at conferences with representatives of the Underwriter and its Counsel, of the Town and its counsel, and with representatives of the Developer at which the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Limited Offering Memorandum and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum and any amendment or supplement thereto, no facts have come to our attention that lead us to believe that the information set forth under the captions referenced in the preceding paragraph as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

### **Qualifications**

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

(a) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.

(b) We have relied upon the Developer Certificates, as well as the representations of the Developer contained in the Material Documents, with respect to certain facts material to our opinion. Except as otherwise specifically indicated herein, we have made no independent investigation regarding any of the foregoing documents or the representations contained therein.

(c) Our opinion delivered pursuant to Section 3 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors’ rights generally and to the effect of general principles of equity, including (without limitation) remedies of specific performance and injunctive relief and concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).



(d) Except for the Material Documents, we have not reviewed, and express no opinion as to, any other contracts or agreements to which the Developer is a party or by which the Developer is or may be bound.

(e) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas and the laws of the United States of America, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant to such opinions on such date. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, except the United States of America, we do not purport to be experts in any other laws and we can accept no responsibility for the applicability or effect of any such laws. In addition, we assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that affect the opinions expressed herein.

(f) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(g) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.

(h) The opinions expressed herein regarding the enforceability of the Material Documents are subject to the qualification that certain of the remedial, waiver or other provisions thereof may not be enforceable; but such unenforceability will not, in our judgment, render the Material Documents invalid as a whole or substantially interfere with the practical realization of the principal legal benefits provided in the Material Documents, except to the extent of any economic consequences of any procedural delays which may result therefrom.

(i) The opinion expressed herein as to the enforceability of the Material Documents is specifically subject to the qualification that enforceability of the Material Documents is limited by the following: (i) the rights of the United States under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity, public policy and unconscionability which may limit the availability of certain remedies; (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally; and (iv) requirements of due process under the United States Constitution, the Constitution of the State of Texas and other laws or court decisions limiting the rights of creditors to repossess, foreclose or otherwise realize upon the property of a debtor without appropriate notice or hearing or both.

(j) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Material Documents.

(k) We express no opinion as to the validity, binding effect, or enforceability of: (i) provisions which purport to waive rights or notices, including rights to trial by jury, counterclaims or defenses, jurisdiction or venue; (ii) provisions relating to consent judgments, waivers of defenses or the benefits of statutes of limitations, marshaling of assets, the transferability of any assets which by their nature are nontransferable, sales in inverse order of alienation, or severance; (iii) provisions purporting to waive the benefits of present or of future laws relating to exemptions,

appraisement, valuation, stay of execution, redemption, extension of time for payment, setoff and similar debtor protection laws; or (iv) provisions requiring a party to pay fees and expenses regardless of the circumstances giving rise to such fees or expenses or the reasonableness thereof.

(l) The opinions expressed herein are subject to the effect of generally applicable rules of law that provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected.

(m) We express no opinion as to the enforceability of any provisions in the Material Documents purporting to entitle a party to indemnification in respect of any matters arising in whole or in part by reason of any negligent, illegal or wrongful act or omission of such party.

This opinion is furnished to those parties addressed in this letter solely in connection with the transactions, for the purposes and on the terms described above and may not be relied upon for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,

---

Robert Miklos

## **APPENDIX E**

### **CLOSING CERTIFICATE OF DEVELOPER**

MM Hickory Creek 24, LLC, a Texas limited liability company (the “Developer”), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

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

2. Representatives of Developer have provided information to the 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 \$4,185,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District) (the “Bonds”), pursuant to the Town’s Preliminary Limited Offering Memorandum, dated June 6, 2019, and Limited Offering Memorandum dated June 18, 2019 (together, the “Limited Offering Memorandum”).

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 each of the below listed documents (individually, a “Developer Document” and collectively, the “Developer Documents”) in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of Developer, enforceable against Developer in accordance with its terms:

(a) that certain Developer Letter of Representation dated June 6, 2019;

(b) that certain Hickory Farms Development Agreement dated effective as of April 1, 2019 between the Town and Centurion American Acquisitions, LLC, as assigned to MM Hickory Creek 24, LLC (the “Developer”) pursuant to that certain Assignment of Developer’s Interest in Hickory Farms Development Agreement, dated March 2, 2019 (the “Development Agreement”;

(c) that certain Hickory Farms Public Improvement District Construction, Funding and Acquisition Agreement effective June 18, 2019 executed by the Town and the Developer (the “CFA Agreement”);

(d) that certain Landowner Agreement dated as of June 18, 2019 executed by the Town and the Developer (the “Landowner Agreement”).

(e) that certain Continuing Disclosure Agreement of the Developer, dated as of July 1, 2019 made by and among the Developer, HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc., as dissemination agent and P3Works, LLC, as Administrator.

6. The Developer has complied in all material respects with all of the Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

7. The execution and delivery of the Developer Documents by Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which Developer is a party. To the Developer’s knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Development in accordance with the description thereof in the Limited Offering Memorandum.

8. The Developer has reviewed and approved the information contained in the Limited Offering Memorandum under the captions “PLAN OF FINANCE – Development Plan and Plan of Finance,” “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Authorized Improvements, and the Development), “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE — The Developer”, and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting such Developer and the portion of the Development owned by such Developer, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

9. The Developer is in compliance in all material respects with all provisions of applicable law in all material respects relating to Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon Developer or any portion of the Development that would materially and adversely affect Developer’s ability to complete or cause to be completed the development of such portion of the Development as described in the Limited Offering Memorandum; and (b) we have no reason to believe that any additional permits, consents and licenses required to complete the Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

10. The Developer is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

11. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in the District owned by Developer will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which Developer is a party or to which Developer or any of its property or assets is subject.

12. Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Development.

13. Developer has no knowledge of any physical condition of the Development owned or to be developed by Developer that currently requires, or currently is reasonably expected to require in the process of development investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

Dated: \_\_\_\_\_, 2019

**DEVELOPER:**

MM HICKORY CREEK 24, LLC,  
a Texas limited liability company

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

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

By: \_\_\_\_\_  
Name: Mehrdad Moayed  
Its: Manager

## **APPENDIX F**

### **[LETTERHEAD OF INTEGRA REALTY RESOURCES]**

July 10, 2019

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

U.S. Bank National Association  
3773 Richmond Avenue  
Suite 1100  
Houston, Texas 77046

Winstead PC  
500 Winstead Building  
2728 N. Harwood Street  
Dallas, Texas 75218

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

Re: Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019  
(Hickory Farms Public Improvement District Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, Integra Realty Resources - DFW, appraiser of (i) the undeveloped property contained in the Hickory Farms Public Improvement District (“District”), does hereby represent the following:

1. On behalf of Integra Realty Resources - DFW, I have supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated June 6, 2019, and the Limited Offering Memorandum for the Bonds, dated on or about June 18, 2019 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the Town of Hickory Creek, Texas, as described above. The information I have provided is the real estate appraisal of the property in the District, located in APPENDIX F to the Limited Offering Memorandum, and the description thereof, set forth under the caption “APPRAISAL OF PROPERTY WITHIN THE DISTRICT”.

2. To the best of my professional knowledge and belief, as of the date of my appraisal report, the portion of the Limited Offering Memorandum described above does not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I agree to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of the name of my firm in the Limited Offering Memorandum for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about July 10, 2019) which would render any such information in the Limited Offering Memorandum untrue,

incomplete, or incorrect, in any material fact or render any statement in the appraisal materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representations.

Sincerely yours,

INTEGRA REALTY RESOURCES - DFW

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## APPENDIX G

[LETTERHEAD OF P3WORKS, LLC]

July 10, 2019

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

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

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

Winstead PC  
2728 N. Harwood St., Suite 500  
Dallas, Texas 75201

U.S. Bank National Association  
14241 Dallas Parkway, Suite 490  
Dallas, Texas 75254

Re: Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019  
(Hickory Farms Public Improvement) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, \_\_\_\_\_, of P3Works, LLC, consultant in connection with the creation by the Town of Hickory Creek, Texas (the “Town”), of Hickory Farms Public Improvement District (the “District”), does hereby represent the following:

1. On behalf of P3Works, LLC, I have supplied certain information contained in the Preliminary Limited Offering Memorandum, dated June 6, 2019 (the “Preliminary Limited Offering Memorandum”), and the final Limited Offering Memorandum, dated on or about June 18, 2019 (the “Limited Offering Memorandum”), 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 Limited Offering Memorandum and the Limited Offering Memorandum is located (a) under the captions “ASSESSMENT PROCEDURES — Assessment Methodology,” and “— Assessment Amounts,” (b) under the caption “THE PID ADMINISTRATOR” and (c) in the Service and Assessment Plan (the “SAP”) for the Town located in APPENDIX C to the Limited Offering Memorandum.

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



3. I agree to the inclusion of the SAP in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and to the use of the name of my firm in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about July 10, 2019) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any such information materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representation.

Sincerely yours,

P3WORKS, LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT C**

**CONTINUING DISCLOSURE AGREEMENT**

Attached

**TOWN OF HICKORY CREEK, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019  
(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)**

**CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER**

This Continuing Disclosure Agreement of the Issuer dated as of July 1, 2019 (this “Disclosure Agreement”) is executed and delivered by and between the Town of Hickory Creek, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

**SECTION 1.      Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the 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 July 1, 2019, between the Issuer and the Trustee relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall mean initially, P3Works, LLC, an officer or employee of the Town, or third party designee of the Town who is not an officer or employee thereof, identified in any indenture of trust relating to the Bonds, the District’s Service and Assessment Plan, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.

“Affiliate” shall mean an entity that owns property within the District and is controlled by, controls, or is under common control with the Developer or any Subsequent Third Party Owner (as such term is defined in the Disclosure Agreement of the Developer).

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

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

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Assessments” shall have the meaning assigned to such term in the Indenture.

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

“Developer” shall mean MM Hickory Creek 24, LLC, a Texas limited liability company, including any Affiliate of the Developer and its successors and assigns.

“Disclosure Agreement of the Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of July 1, 2019 executed and delivered by the Developer, the Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent.

“Disclosure Representative” shall mean the Finance Director of the Issuer or his or her designee, or such other officer or employee as the Issuer, may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Hickory Farms Public Improvement District within the Town of Hickory Creek, Texas.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Fiscal Year” shall mean the calendar year from October 1 through September 30.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Outstanding” shall have the meaning given to it in the Indenture.

“Owner” shall mean the beneficial owner of any Bonds.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

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

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

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

### SECTION 3. Provision of Annual Issuer Reports.

(a) The Issuer shall cause and hereby directs the Administrator to compile and prepare the Annual Issuer Report. The Administrator shall provide such Annual Issuer Report to the Issuer and the Dissemination Agent no later than 10 Business Days before the expiration of six months after the end of each Fiscal Year.

(b) 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, 2019, 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 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, commencing with the Fiscal Year ended September 30, 2019. The Issuer is providing the audited financial statements in connection with the requirements of the Rule; notwithstanding such requirements, the Bonds are special obligations of the Issuer payable solely from the Pledged Revenues and other funds comprising the Trust Estate, as and to the extent provided for and defined in the Indenture. The Bonds do not give rise to a charge against the general credit or taxing power of the Issuer and are payable solely from the sources identified in the Indenture.

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.

(c) The Issuer shall or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year within ten (10) Business Days prior to filing the Annual Issuer Report on the date required in subsection (a);

(ii) file the Annual Issuer Report (excluding the audited financial statements of the Issuer, if any, which shall be filed by the Issuer or the Dissemination Agent upon receipt from the Issuer) containing or incorporating by reference the information set forth in Section 4 hereof;

(iii) file audited financial statements of the Issuer pursuant to Section 4(b) herein; and

if the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file the following:

(a) Within six months after the end of each Fiscal Year the following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding;

(B) The amounts in the funds and accounts securing the Bonds.

(ii) The principal and interest paid on the Bonds during the most recent Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

(iii) Any changes to the land use designation for the property in the District from the purposes identified in the Service and Assessment Plan.

(iv) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Assessments in the District.

(v) The aggregate taxable assessed valuation for parcels or lots within the District based on the most recent certified tax roll available to the Issuer.

(vi) With respect to single-family residential lots, until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Assessments levied within the District, such SAP Update shall include the following:

(A) the number of new homes completed in the District during such Fiscal Year; and

(B) the aggregate number of new homes completed within the District since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2019.

(vii) Listing of any property or property owners in the District representing more than twenty percent (20%) of the levy of Assessments, the amount of the levy of Assessments against

such landowners, and the percentage of such Assessments relative to the entire levy of Assessments within the District, all as of the October 1 billing date for the Fiscal Year.

(viii) Collection and delinquency history of the Assessments within the District for the past five Fiscal Years, in the following format:

**Collection and Delinquent History of Assessments**

Collected in Fiscal Year <u>Ending 9/30</u>	Assessment <u>Billed</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 3/1</u>	Delinquent Percentage <u>as of 3/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Total Assessments <u>Collected<sup>(1)</sup></u>
2019	\$			—	—		\$

<sup>(1)</sup> Collected as of \_\_\_\_\_, 20\_\_. Includes \$\_\_\_\_\_ attributable to Prepayments.

(ix) Total amount of Prepayments collected, as of the February 15 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).

(x) The amount of delinquent Assessments by Fiscal Year:

(A) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);

(B) which are currently subject to foreclosure proceedings which have not been concluded;

(C) which have been reduced to judgment but not collected;

(D) which have been reduced to judgment and collected; and

(E) the result of any foreclosure sales of assessed property within the District if the assessed property represents more than one percent (1%) of the total amount of Assessments.

(xi) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) If not provided with the financial information provided under subsection 4(a) above, if prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If audited financial statements are not included with the financial information provided under subsection 4(a) above, unaudited financial statements shall be included with such financial information within twelve months of the end of the Issuer's fiscal year.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference

SECTION 5.      Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.



15. Incurrence of a financial obligation of the obligated person, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For these purposes, “financial obligation” means (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. The Issuer intends the words used in paragraphs (15) and (16) and the definition of “financial obligation” to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such within ten (10) Business Days of the occurrence of such Listed Event; provided that the Dissemination Agent shall not be liable for the filing of notice of any Listed Event more than ten (10) Business Days after the occurrence of such Listed Event if notice of such Listed Event is received from the Issuer more than ten (10) Business Days after 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. The form for submitting such notice is attached hereto as Exhibit A.

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. The Issuer acknowledges 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, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the 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 in writing by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

SECTION 7. Dissemination Agent. The Dissemination Agent agrees to perform the duties set forth in this Agreement. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer

shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.

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

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

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

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

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

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), or any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to cause the Issuer, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of the Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and the Administrator. (a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Assessments collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any responsibility for the (1) accuracy of any information provided by third parties or the Issuer for the disclosures made pursuant to the terms hereof, or (2) the untimeliness of any information provided by third parties or the Issuer for the disclosures made pursuant to the terms hereof, except where such untimeliness is attributable to the actions or inactions of

the Administrator. The Administrator shall have only such duties as are specifically set forth in Sections 3 and 4 of this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Assessments collected from the property owners in 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 resulting from information provided to the Administrator by the Issuer, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties or the Developer, or the failure of any third party or the Developer to provide information to the Administrator as and when required under this Agreement. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, THE ADMINISTRATOR OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. NEITHER THE DISSEMINATION AGENT NOR THE ADMINISTRATOR ARE UNDER ANY OBLIGATION NOR ARE THEY 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 are set forth in Exhibit C which is solely intended to illustrate the general procedures expected to generally be followed in enforcing the payment of delinquent Assessments

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members,

officer, agent or employee of the Issuer, the Administrator or the Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent agrees that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent 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.

SECTION 20. Disclosure Agreement of the Developer. Concurrently with the execution and delivery of this Disclosure Agreement, the Dissemination Agent and Administrator have entered into the Disclosure Agreement of the Developer. Except as provided in Section 6 of the Disclosure Agreement of the Developer, the parties agree that the Issuer has no obligation to assume any of the duties of the Developer under the terms of the Disclosure Agreement of the Developer.

SECTION 21. Anti-Boycott Verification. The Dissemination Agent and the Administrator each hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Dissemination Agent and the Administrator each understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, respectively, and exists to make a profit."

SECTION 22. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent and the Administrator each represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes [the/each] Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Dissemination Agent and the Administrator each understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, respectively, and exists to make a profit."

*[remainder of page left blank intentionally]*

TOWN OF HICKORY CREEK, TEXAS

By: \_\_\_\_\_  
Mayor



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

By: \_\_\_\_\_  
Authorized Officer

P3WORKS, LLC  
(as Administrator)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**NOTICE TO MSRB OF FAILURE TO FILE  
ANNUAL ISSUER REPORT**

Name of Issuer: Town of Hickory Creek, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2019  
(Hickory Farms Public Improvement District)  
CUSIP Nos. [insert CUSIP NOs.]  
Date of Delivery: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that the Town of Hickory Creek, Texas, has not provided [an Annual Issuer Report][annual audited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated July 1, 2019, between the Issuer and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as “Dissemination Agent.” The Issuer anticipates that [the Annual Issuer Report][annual audited financial statements] will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

cc: Town of Hickory Creek Texas

**EXHIBIT B**

**TOWN OF HICKORY CREEK, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019  
(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)**

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**ANNUAL ISSUER REPORT\***

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Delivery Date: \_\_\_\_\_, 20\_\_

CUSIP NOS: [insert CUSIP NOs.]

**BONDS OUTSTANDING**

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

**INVESTMENTS**

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

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\*Excluding Audited Financial Statements of the Issuer

**BALANCE OF FUNDS AND ACCOUNTS SECURING THE BONDS**

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
<b>TOTAL ASSETS</b>	_____

**Form of Accounting**    ☐ Cash    ☐ Accrual    ☐ Modified Accrual

**ITEMS REQUIRED BY SECTIONS 4(a)(i) – (vii), (ix-xi)**

**[Insert a line item]**

**SECTION 4(a)(viii) COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS WITHIN THE DISTRICT FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:**

**Collection and Delinquent History of Assessments**

Collected in Fiscal Year	Assessment	Parcels	Delinquent Amount	Delinquent Percentage	Delinquent Amount	Delinquent Percentage	Total Assessments
<u>Ending 9/30</u>	<u>Billed</u>	<u>Levied</u>	<u>as of 3/1</u>	<u>as of 3/1</u>	<u>as of 9/1</u>	<u>as of 9/1</u>	<u>Collected<sup>(1)</sup></u>
2019	\$			—	—		\$

<sup>(1)</sup> Collected as of \_\_\_\_\_, 2019. Includes \$\_\_\_\_\_ attributable to Prepayments.

## EXHIBIT C

### BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES<sup>1</sup>

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments Delinquent if not received
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
		Issuer and/or Administrator should be aware of actual and specific delinquencies
		Issuer and/or Administrator should be aware if Reserve Fund needs to be utilized for debt service payment on March 1. <b>If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified.</b>
		Issuer and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment
		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 Town Attorney or an appropriate designee, will begin process to cure deficiency. <b>For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure.</b>

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<sup>1</sup> Illustration of sequencing and thresholds of events only. Actual actions may differ from this timeline.

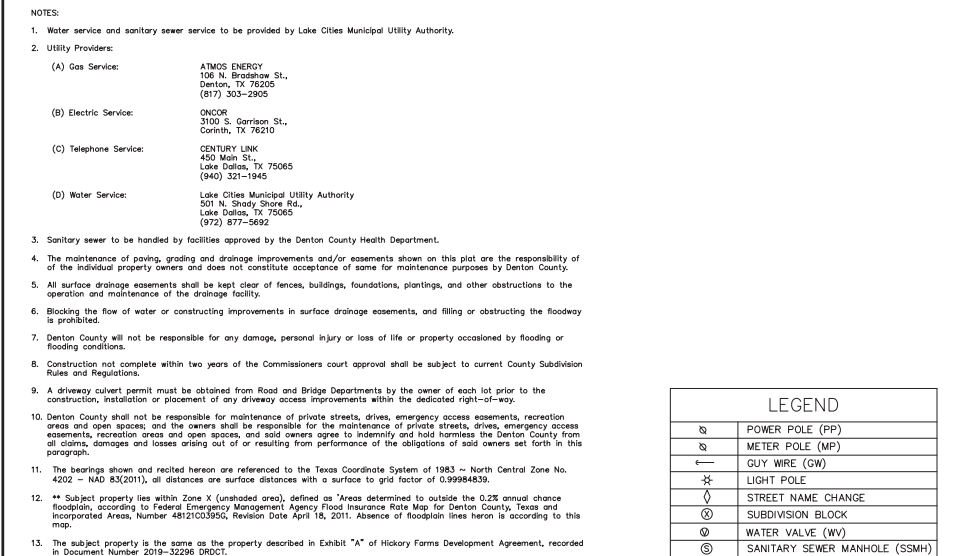
<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
		<b>If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.</b>
March 1	28/29	Trustee pays bond interest payments to bondholders.
		Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.
		Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or Fund for debt service.
		<b>Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.</b>
		Issuer determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments.
March 20	47/48	<b>Issuer and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies.</b>
		<b>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 Town Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Assessments.</b>










<b><u>Date</u></b>	<b><u>Delinquency Clock (Days)</u></b>	<b><u>Activity</u></b>
April 15	74/75	<b>Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent of the commencement of preliminary foreclosure activity.</b>
		If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.
May 1	89/90	If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the bondholders under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
May 15	103/104	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those bondholders who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than June 1 (day 120/121).
<b>June 1</b>	<b>120/121</b>	<b>Foreclosure action to be filed with the court.</b>
<b>June 15</b>	<b>134/135</b>	<b>Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status.</b> 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.



**Item Attachment Documents:**

13. Consider and act on a preliminary plat of Hickory Farms, 24.277 acres situated in the H.H. Swisher Survey, Abstract Number 1220, Town of Hickory Creek, Denton County, Texas. The property is located in the 1000 Block of Ronald Reagan Avenue.



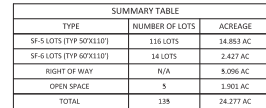
LEGEND	
	POWER POLE (PP)
	METER POLE (MP)
	GUY WIRE (GW)
	LIGHT POLE
	STREET NAME CHANGE
	SUBDIVISION BLOCK
	WATER VALVE (WV)
	SANITARY SEWER MANHOLE (SSMH)
	FIRE HYDRANT (FH)

RECOMMENDED FOR APPROVAL

\_\_\_\_\_  
Chairman, Planning and Zoning Commission Date  
Town of Hickory Creek, Texas

APPROVED FOR PREPARATION OF FINAL PLAT

\_\_\_\_\_  
Mayor, Town of Hickory Creek, Texas Date



24.277 ACRES  
130 RESIDENTIAL LOTS  
5 NON-RESIDENTIAL LOTS  
STREET RIGHT-OF-WAY - 5.096 ACRES  
SITUATED IN THE  
H.H. SWISHER SURVEY, ABSTRACT NO. 122  
TOWN OF HICKORY CREEK ETJ  
DENTON COUNTY, TEXAS

1651 Glenville Drive, Suite 212 Tel. No. (214) 221-9955  
Richardson, Texas 75081 Fax No. (214) 340-3550  
DATE: JUNE 2019 SCALE: 1"= 100'  
MWHITKANACK@PETITTBARRAZA.COM JOB NO. 17015-00

1651 Glenville Drive, Suite 212 Tel. No. (214) 221-9955  
Richardson, Texas 75081 Fax No. (214) 340-3550  
DATE: JUNE 2019 SCALE: 1"= 100'  
MWHITKANACK@PETITTBARRAZA.COM JOB NO. 17015-00

**Item Attachment Documents:**

14. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas hereby authorizing the Mayor or Town Administrator to deliver notice of intent to renew interlocal agreement to the City of Corinth concerning fire services.

**TOWN OF HICKORY CREEK, TEXAS**  
**RESOLUTION NO. 2019-0618-\_\_\_\_\_**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF  
HICKORY CREEK, TEXAS, HEREBY AUTHORIZING THE MAYOR  
OR TOWN ADMINISTRATOR TO DELIVER NOTICE OF INTENT TO  
RENEW INTERLOCAL AGREEMENT TO THE CITY OF CORINTH  
CONCERNING FIRE SERVICES; 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; and

**WHEREAS**, the Town Council desires to deliver notice of its intent to renew the *Interlocal Agreement Between the City of Corinth, Texas and the Town of Hickory Creek, Texas for Fire Service*, dated September 27<sup>th</sup>, 2016 to the City of Corinth; and

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Hickory Creek, Texas, that:

Section 1: The Mayor or Town Administrator are authorized to deliver written notice of the Town of Hickory Creek’s intent to renew the *Interlocal Agreement Between the City of Corinth, Texas and the Town of Hickory Creek, Texas for Fire Service* to the Town of Corinth prior to October 1, 2019

Section 2: The resolution shall take effect immediately upon its passage.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek, Texas this 18th day of June, 2019.

\_\_\_\_\_  
Lynn C. Clark, Mayor  
Town of Hickory Creek, Texas

ATTEST:

\_\_\_\_\_  
Kristi Rogers, Town Secretary  
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

\_\_\_\_\_  
Dorwin L. Sargent, III, Town Attorney  
Town of Hickory Creek, Texas

**Item Attachment Documents:**

15. Consider and act on an ordinance of the Town Council of the Town of Hickory Creek, Texas, creating Article 3.11 Miscellaneous Building Fees providing for incorporation of premises; providing findings; providing for amendment to the Code of Ordinances.

**TOWN OF HICKORY CREEK, TEXAS**  
**ORDINANCE NO. 2019-6-\_\_\_\_\_**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS, CREATING ARTICLE 3.11 MISCELLANEOUS BUILDING FEES; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FINDINGS; PROVIDING FOR AMENDMENT TO THE CODE OF ORDINANCES; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SAVINGS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AND EFFECTIVE DATE.**

**WHEREAS**, the Town of Hickory Creek, 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 the Texas Constitution and operating pursuant to the enabling legislation of the State of Texas; and

**WHEREAS**, the Town Council is empowered under section 51.012 of the Local Government Code to adopt ordinances necessary for the government, interest, welfare, or good order of the municipality; and

**WHEREAS**, the Town Council does hereby find and determine that the adoption of this Ordinance is necessary for the government, interest, welfare and good order of the Town; and

**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 necessary for the government, interest, welfare, and good order of the Town.

### **SECTION 3.**

#### **AMENDMENTS**

3.01 That the Town of Hickory Creek Code of Ordinances, Chapter 3 Building Regulations; Article 3.11 Miscellaneous Building Fees is hereby created and shall read:

**“Section 3.11.001. New Residential or Multi-Family.** The issuance of a building permit is required prior to the commencement of any new construction of Residential or Multi-Family dwellings. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council. The building permit fee entitles the applicant to 10 inspections.

**Section 3.11.002. Altered Residential.** The issuance of a building permit is requires prior to the alteration, addition, conversion, or remodel, of a Residential or Multi-Family dwelling. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council. The building permit fee entitles the applicant to 10 inspections.

**Section 3.11.003. Plan Revision Fee.** All revisions, changes, additions, or alterations to an approved plan that resulted in the issuance of a building permit must be submitted to the Town prior to undertaking any construction not in accordance with the approved plan. An applicant of such a revised plan must pay a fee prior to the issuance of a building permit for the revised work. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.004. Outdoor Living Structure Fee.** The issuance of a building permit is required prior to the construction of an arbor, pergola, cabana, deck, or permanently installed outdoor cooking improvement. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.005. Attached Concrete.** The issuance of a building permit is required prior to the construction of a concrete, asphalt, tile, stone, or similar impervious flatwork that is immediately adjacent to an improvement requiring the issuance of a permit. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.006. Freestanding Concrete.** The issuance of a building permit is required prior to the construction or alteration of concrete, asphalt, tile, stone, or similar impervious flatwork that is not immediately adjacent to a improvement requiring the issuance of a permit. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.007. Foundation Repair.** The issuance of a building permit is required prior to the commencement of foundation repair work. Prior to the issuance of such a permit the applicant

shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.008. Removal.** The issuance of a removal permit is required prior to demolition, removal, or relocation of any structure or improvement that requires the issuance of a permit. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.009. Drainage Permit.** The issuance of a drainage permit is required prior to the construction, alteration, removal, or modification of any improvement or earthwork intended to modify the flow of water, collect water, or alter the natural flow of water. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.010. Mechanical Permit.** The issuance of a mechanical permit is required prior to the installation, modification, repair, alteration, or removal of a plumbing, HVAC, electrical, or ventilation system or component thereof. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.011. Subdivision Perimeter Permit.** The issuance of a subdivision perimeter permit is required prior to the installation or removal of a fence, wall, retaining wall, or similar permanent improvement along the boundary of a subdivision. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.012. Irrigation Permit.** The issuance of an irrigation permit is required prior to the installation, modification, repair, or removal of an irrigation system or component thereof. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.013. Retaining Wall Permit.** The issuance of a retaining wall permit is required prior to the installation, modification, repair, or removal of a retaining wall. A retaining wall is any stone, concrete, metal, plastic, composite, asphalt, wooden, or similarly constructed improvement installed at ground level more than 10 inches in height. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.014. Roofing Permit.** The issuance of a roofing permit is required prior to the installation, repair, or removal of any portion of a roof exceeding 25% of the existing roof area of a structure. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.



**Section 3.11.015. Solar Permit.** The issuance of a solar permit is required prior to the installation, repair, modification, or removal of a solar photovoltaic electric system. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.016. Spa Permit.** The issuance of a spa permit is required prior to the installation, repair, modification, or removal of a spa, sauna, or hot tub. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.017. In-Ground Pool Permit.** The issuance of an in-ground pool permit is required prior to the installation, removal, or modification of a swimming pool installed below grade. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.018. Above-Ground Pool Permit.** The issuance of an above-ground pool permit is required prior to the installation or removal of a swimming pool installed above grade. Prior to the issuance of such a permit the applicant shall pay a fee. The amount and method of calculation of this fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.

**Section 3.11.019. Unpermitted Work.** No work may commence on any matter requiring a permit without first obtaining a permit. Any person who commences work in violation of this provision shall pay an additional fee. The amount and method of calculation of this additional fee is listed in the “Application and Fee Schedule” as adopted by the Town Council.”

3.02 All other articles, chapters, 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 utility rates and fees 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.**  
**PENALTY**

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

Any person violating any of the provisions of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined, except as otherwise provided herein, in a sum not to exceed Five Hundred Dollars (\$500.00) for each offense, and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

**SECTION 8.**  
**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, Penalty Clause, and Effective Date clause of this Ordinance for two (2) days as required by Section 52.011 of the Texas Local Government Code.

**SECTION 9.**  
**ENGROSSMENT AND ENROLLMENT**

The Town Secretary of the Town of Hickory Creek is hereby directed to engross and enroll this Ordinance by copying the exact Caption, Penalty Clause, and Effective Date clause in the

minutes of the Town Council of the Town of Hickory Creek and by filing this Ordinance in the Ordinance records of the Town.

**SECTION 10.**  
**EFFECTIVE DATE**

This Ordinance shall become effective from and after its date of passage and publication in accordance with law.

**AND IT IS SO ORDAINED.**

**PASSED AND APPROVED** by the Town Council of the Town of Hickory Creek, Texas this 18th day of June, 2019.

\_\_\_\_\_  
**Lynn Clark, Mayor**  
**Town of Hickory Creek, Texas**

(Seal)

**ATTEST:**

\_\_\_\_\_  
**Kristi Rogers, Town Secretary**  
**Town of Hickory Creek, Texas**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Dorwin L. Sargent, III, Town Attorney**  
**Town of Hickory Creek, Texas**

**Item Attachment Documents:**

16. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, hereby adopting a residential building fee schedule; and providing an effective date.

**TOWN OF HICKORY CREEK, TEXAS  
RESOLUTION NO. 2019-0618-\_\_**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF  
HICKORY CREEK, TEXAS, HEREBY ADOPTING A RESIDENTIAL  
BUILDING FEE SCHEDULE; 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; and

**WHEREAS**, the Town Council desires to require the collection of certain fees related to the construction of new and remodeled residential improvements to account for the cost of review of permit applications and inspection of said improvements; and

**WHEREAS**, those fees are listed in the *Residential Building Fee Schedule* attached hereto as Exhibit A, which is a portion of the Town’s *Application and Fee Schedule*.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Hickory Creek, Texas, that:

Section 1: The Town Council finds that the fees listed in the *Residential Building Fee Schedule* attached hereto as Exhibit A are adequate to recover the costs of review of permit applications and inspection of the improvements listed therein.

Section 2: The fees listed in the *Residential Building Fee Schedule* attached hereto as Exhibit A are hereby adopted.

Section 3. This resolution shall take effect immediately upon its passage.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek, Texas this 18th day of June, 2019.

\_\_\_\_\_  
Lynn C. Clark, Mayor  
Town of Hickory Creek, Texas

ATTEST:

\_\_\_\_\_  
Kristi Rogers, Town Secretary  
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

\_\_\_\_\_  
Dorwin L. Sargent, III, Town Attorney  
Town of Hickory Creek, Texas

## RESIDENTIAL BUILDING FEE SCHEDULE

**PERMITS ARE VALID FOR 180 DAYS FROM ISSUE DATE. UNLESS NOTED OTHERWISE, THE PERMIT FEE INCLUDES ONE INSPECTION.**

Residential Permit Type:	Method of Calculation	Min. Fee
New Residential or Multi-Family	\$1.15 per square foot under roof	\$1,000
Altered Residential or Multi-Family	\$1.15 per altered square foot under roof	\$125
Plan Revision Fee	\$1.00 per square foot under roof	\$200
Accessory Building, unattached, no utilities, less than 30 inches above grade		
Under 120 sq. ft.	Flat Fee	\$30
120 to 200 sq. ft.	Flat Fee	\$60
Accessory Building, attached or unattached, with utilities, under 200 square feet or 30 inches above grade	\$1.00 per square foot under roof	\$125
Outdoor Living Structure under 30 inches above grade and without utilities.	\$0.50 per square foot	\$100
Outdoor Living Structure over 30" above grade or with utilities.	\$1.00 per square foot	\$125
Appeals to Board of Adjustment	Flat Fee	\$250
Continuance requested by applicant after public notice publication	\$1.00 per letter	\$75
Certificate of Occupancy, Single Family Dwelling	Flat Fee	\$100
Attached Concrete	Flat Fee	\$125
Freestanding Concrete	Flat Fee	\$100
Foundation Repair	Flat Fee	\$200
Contractor Registration (Plumbers and Electricians exempt)	Flat Fee	\$75
Removal	Flat Fee	\$150
Drainage Permit	Flat Fee	\$100
Mechanical Permit	Flat Fee	\$200
Inspections (Mechanical)	Flat Fee	\$125
All additional, reinspections, or red tags, unless noted otherwise, each. (Fee due before next inspection may be scheduled)	Flat Fee	\$75

Residential Permit Type:	Method of Calculation	Min. Fee
Fence (new or replacement of more than 50%)	Flat Fee	\$50
Expired Permit Re-Issue	Underlying Permit Fee x .5	
Subdivision Perimeter Permit	\$1.00 per linear foot	\$150
Irrigation Permit	Flat Fee	\$50
Occasional (Private Garage) Sale	Flat Fee	\$5
Retaining Wall Permit, under 4 feet	Flat Fee	\$100
Retaining Wall Permit, over 4 feet	Flat Fee	\$125
Roofing Permit	Flat Fee	\$50
Septic System, New	Flat Fee	\$425
Repair to existing system	Flat Fee	\$150
Inspections for substantiated complaints	Flat Fee	\$150
Inspections for unsubstantiated complaints	Flat Fee	\$0
Solar Permit	Flat Fee	\$500
Spa Permit	Flat Fee	\$150
In-Ground Pool Permit	Flat Fee	\$550
Above-Ground Pool Permit	Flat Fee	\$200
Unpermitted Work Fee	Underlying Permit Fee x 2	